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SOCIAL JUSTICE

National Weekly Review

Founded 1936 by Father Coughlin

The Suppressed Truth

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U. S. Must Regulate The Nation's Money

Price Level Rises With Credit Curb

Permanent Prosperity Hangs on Controlled Balance of Purchasing Power

From Fr. Coughlin's Sunday Broadcast

It is evident to every person that the purchasing power of a dollar varies from time to time. One year the price of wheat is advertised at $2 a bushel. Another year the price decreases to $1 a bushel, even though there are approximately the same number of bushels of wheat available each year.

Not only the farmer but the housewife experiences the effects of an unregulated dollar. The grocer who sells butter for 60 cents a pound in 1929 advertises it for 30 cents a pound a few years later. Rentals, wearing apparel, drugs—all commodities vary in price from time to time as do the wages received by the laboring classes.

There, for example, are some farmers who, in 1928, purchased 100 acres on contract for $12,000 when wheat was

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Government Figures Show Dollar Controls Prices

When the value of a dollar is below 100 cents, it buys too much—butter at 30 cents a pound: when the dollar's value is above 100 cents, it does not buy enough, because prices are too high—butter at 60 cents! Prosperity is permanent only when prices are regulated at a normal level.

The following figures are taken from an official United States chart which shows how the value of the dollar controls prices, which in turn control incomes and prosperity:

In 1800 the dollar was valued in commodities at 100 cents.
In 1812 the dollar was valued in commodities at 155 cents.
In 1830 the dollar was valued in commodities at 66 cents.
In 1860 the dollar was valued in commodities at 61 cents.
In 1865 the dollar was valued in commodities at 132 cents.
In 1880 the dollar was valued in commodities at 59 cents.
In 1896 the dollar was valued in commodities at 46 cents.
In 1919 the dollar was valued in commodities at 154 cents.
In 1926 the dollar was valued in commodities at 100 cents.
In 1929 the dollar was valued in commodities at 105 cents.
In 1932 the dollar was valued in commodities at 65 cents.
In 1937 the dollar was valued in commodities at 81 cents.

(From excerpts of the broadcast quoted in these columns it will be patent that no partial quotation of this history-making discourse can hope to satisfy any reader. Complete copies of the talk, together with the official government chart referred to and the letter from the secretary of the Federal Reserve Board, will be sent to everyone who writes directly to Father Coughlin requesting them.)

Annual Wage Will Not Be a Living Wage With A "Manipulated" Dollar

"To my mind, the unregulated dollar is the spearhead of social injustice," declared Father Coughlin in his third broadcast. "Because I conceive this to be so, I earnestly advocate the adoption of a financial system in harmony with sound Americanism and Christianity, which will operate through the agency of a regulated, honest dollar."

Speaking from the famous tower of the Shrine of the Little Flower at Royal Oak, Father Coughlin was heard over a vast national network covering the entire east and middlewest.

Father Coughlin said:

"Under the Caesars the system of Roman law was written to protect the interests of economic vampires whose concept of justice was ever identified with an effort to bolster up a downtrodden society in the interest of public order. But the temples of Roman justice, the market places of Roman slaves, staggered under a Spartacus and withered under the Goths.

"So, too, the history of legislation in the United States is a history of the dominating factors in finance and industry who wrote laws to protect the system of financial exploitation and to hold in abject obedience the impoverished victims of that system.

Asks Co-operation of All Classes

"Roman law was class law. The Caesars and their successors legislated in behalf of class privilege. So, too, is the law of high finance in America.

"Roman law was pagan law contrary to the principles of class co-operation. So, too, is ours.

"It is not my object to influence the masses of America against the classes of wealth. I am motivated with the single hope of appealing to all classes—the financial class included—to recognize not only the inefficiency but the dangers of unregulated industry, of unregulated money and of unregulated ambition.

"The dangers arise from another Spartacus, from another invasion of Goths cloaked in the array of Fascism and Communism.

"True Americans who love our Constitution subscribe to the doctrine that Congress has the right to regulate the purchasing power of our money. True Christianity, which has supplanted the paganism of the past, believes in supporting a system which stands for class co-operation as it is stolidly opposed to a financial system which has bred and is still breeding class conflict.

Create and Destroy Money at Will

"The unregulated variation of money permits the lenders of money to acquire the real wealth of the nation — its homes, farms or factories are offered as security to obtain a loan.

"The present financial system under which America is

(Continued on Page 14)

Are You All Set?

SOCIAL JUSTICE announces the first of a series of articles by the world famous Hilaire Belloc.

Fifty-two articles are being prepared by him under contract.

The first 13—"The Way Out"—begins in these pages exclusively next month.

The greatest literary treat of this generation awaits you.

Are you all set?

You will not want to lend your paper. It will be of historic value two years hence. Warn your friends to get all set with you. Subscribe now and avoid the rush. It it doubtful if back copies will be available.

Repeat these names:

Robert Owen, who collaborated in writing the Federal Reserve Act.

Robert Hemphill, who was associated with the Federal Reserve.

Fred Soddy, professor, Oxford University.

Peter Duffee, economist.

Dr. Edward Lodge Curran, sociologist.

Chas. E. Coughlin, Doctor of Laws.

Hilaire Belloc, world's most renowned writer.

These are a few of the stars whose brilliant contributions will make the light shine in darkness.

Get all set! for February.

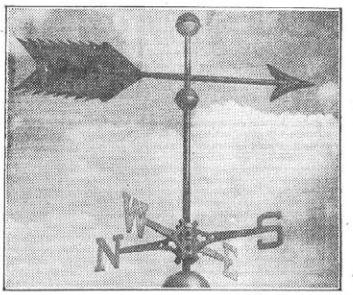
A Warning

It becomes necessary to warn all workers for Social Justice who desire to assist the broadcasting of Father Coughlin to send their donations directly to him at Royal Oak, Michigan.

Once more we are compelled to recognize that Social Justice activities are being made the instrument of racketeers. Broadcasting benefits are being held in many parts of the country, to which friends of Father Coughlin eagerly contribute in the thought that proceeds from the event will be sent to Royal Oak. In too many cases there are no proceeds. Father Coughlin's office is swamped with inquiries about this or that "benefit," from which no other word has ever come.

This is in no way disparaging to the good intentions of many honestly conducted parties which have been held and from which substantial donations have been made to Father Coughlin. For all of these grateful acknowledgment is made.

But since the good will of Social Justice enthusiasts is being abused, it will be better for them to send radio contributions directly to Father Coughlin.



THE INDICATOR

By Father Coughlin

Abuses of Democracy Give Rise to New Wave Of Anti-Liberalism

AT a conference in New York City the case of Fascism was presented by the son of the Italian poet, Mr. D'Annunzio. The thesis which he developed may be expressed in this one brief sentence: **"Every vital political movement in the world today is anti-liberal."**

Mr. D'Annunzio did not describe Fascism as the opposite of Communism. He maintained that both of these movements were anti-democratic in the accepted sense of the word. He endeavored to point out that reasonable liberalism is dead. He concluded by telling his audience that liberal democracy must follow either to collectivism in the form of Communism or to collectivism in the form of Fascism.

* * *

At the same conference the views of Mr. Auhagen, who presented the case of Nazi-ism, seem to coincide with those expressed by the Italian. He agreed that national socialism was the antithesis of democracy.

It is peculiar that all these anti-democratic states which have come into existence in the last quarter of a century claim to be democratic although in each instance constitutional or parliamentary government was discarded in favor of the one party bureaucratic form of government.

* * *

In 1933 Mr. Hitler said: "Germany, under national socialism, is the purest democracy in the world today; for nowhere in the world is so great a percentage of the people behind its established government and its leader."

A few weeks ago, in a speech at Berlin, Mr. Mussolini gave expression to the same idea.

In Russia, so Mr. Stalin maintains, the Soviet government exhibits the only true democracy.

* * *

In each of the above three cases the "democratic" argument is based on the fact that the political state is, by its construction, merely the organ of powerful economic interests as in Italy; that there can be no real political democracy without economic equality as in Russia; and that when all the people establish a form of government contrary to the obsolete concept of democracy, that form is the highest type of democracy because it was chosen by all the people: So holds the German.

THESE thoughts do not contain an argument for or against Fascism, Communism or Nazi-ism. For the time being I am satisfied to outline what the proponents of these forms of government believe. Thus, Fascism rests its claim to democracy on the basis of having a mandate from the majority to rule and regulate industry. Mr. Mussolini claims this specifically to be the incorporated will of the people.

Mr. Hitler, occasionally having recourse to the ballot to decide popular policies, is rather naive in his idea of pure democracy when it is a well established fact that the results of the ballot are traceable to a one party form of government, to a government that enjoys a monopoly of the press and of the radio, to a government that expends the taxpayers' money for political propaganda, and to a government which has terrorized Catholics, Protestants and Jews directly and their philosophical beliefs indirectly.

So, too, with Mr. Stalin.

* * *

It all depends, therefore, not only on how one defines democracy but on what "sine qua non" causes which are necessary ordinarily for the existence of democracy.

A window is the "sine qua non" cause of light in a room. Liberty of the press, of the radio and of political opinion appear to be "sine qua non" causes of democracy, according to their American concept.

* * *

When Mr. Stalin upholds the principle of economic equality, he is opposed to the principle of unequal rewards which result from the exercise of unequal talents. Sound American democracy, while ever opposed to the immorality of exploitation, is also opposed to the heresy of equalitarianism in the sense that all electricians are deserving of equal reward. In our democratic concept we recognize that one man surpasses another man in his ability to produce and consequently is deserving of a higher reward. Not so in Russia under Mr. Stalin's original understanding of economic democracy.

In the spirit of truth it is just to admit that Mr. Stalin is withdrawing from that viewpoint and is beginning to adopt new theories.

Under the Russian form of democracy labeled Communism, it is true that nobody owns anything in the strict sense of the word. It is true that the total wealth of the country — its producing power—is consolidated in great holding companies of interlocking state trusts with its entire control vested in the hands of a bureaucracy of self-appointed officials.

* * *

By democracy Americans mean a parliamentary form of government subject to a Constitution together with a mixed system of public and private enterprise.

MR. D'ANNUNZIO'S thesis is worth considering. There is a movement against so-called democratic political liberty. The occasion for the movement's gaining so much recognition is related to good economics and bad logic: good economics in the sense that all these nationalists demand a more equitable distribution of wealth; and bad logic because they are laboring under the error that economic liberty cannot exist side by side with political liberty. In every instance from the Russian revolution in 1917 to the rise of Mr. Vargas of South America in 1937, an impetus was given to these gentlemen and to the forms of government—including democracy—to solve the problem of distribution and to establish economic liberty.

* * *

"Liberty to vote and liberty to starve" were the words employed to describe the democracy of Germany, the democracy of Italy, and the democracy of Brazil before the advent of the dictators.

It seems a pity that under these older forms of government and under the older concept of democracy which protected religious and civil liberties—it seems a pity that this democracy with so many benefits was cast aside for so-called economic liberty. Had the representatives of democratic people been more logical, had they not surrendered to the powerful, privileged classes of industry and finance, neither Fascism nor Nazi-ism nor Communism would have gained foothold in Europe or in America.

* * *

To me it appears inevitable that our American concept of democracy will perish unless our representatives will bend their minds to the problem of distribution which confronts us. Men will eat even if they must steal, in the vulgar acceptance of the definition of stealing. Men will enjoy the products of their nation even though it will cost them the so-called liberty of the ballot, liberty of the press and liberty of democracy.

* * *

It is not democracy which has failed. The abuses which democracy has permitted to grow in its gardens have choked the beautiful flowers of economic liberty. The bloom of prosperity has faded because the weeds of greed have run riot. The fragrance of virtue has disappeared because the odor of vice has been cultivated.

For these and other reasons the great political movements of today are anti-liberal in a political sense. The tendency in America is towards anti-liberalism as the pendulum swings from the extreme of rugged individualism to the extreme of rugged collectivism.

* * *

Those of us who are still anxious to retain political, religious and agrarian liberty must bend every effort to correct the industrial and financial abuses which are flourishing in our midst, else our liberties will be traded for bread in the oven of dictatorship.

Memorial Masses For Bishop Gallagher

Dr. Curran Offers Mass In Brooklyn

Service at Shrine Conducted by Old Friend of Bishop, Father Laudenbach

An anniversary high mass for the repose of the soul of Bishop Michael James Gallagher was held at St. Stephen's Church, Summit and Hicks street, Brooklyn, N. Y., at 9 a. m. Saturday, January 22. The service was largely attended by Social Justice workers in the metropolitan New York area. The Rev. Edward Lodge Curran, LL.B., Ph.D., president of the International Catholic Truth Society, and pastor of St. Stephen's, was celebrant.

Father Laudenbach's sermon at the memorial mass for Bishop Gallagher held at the Shrine of the Little Flower, appears in full on page 7 of today's issue of SOCIAL JUSTICE.

At the Shrine of the Little Flower in Royal Oak, Mich., Rev. Henry B. Laudenbach, pastor of St. Louis church, Buffalo, N. Y., and an old school friend of Bishop Gallagher, was celebrant at the requiem mass at 8 a. m., Thursday, January 20th, the first anniversary of his death.

The "battling bishop," at whose order Father Coughlin undertook his broadcast program, was truly a patron of Social Justice in America. "As long as an altar shall stand in the Shrine of the Little Flower," a month's mind mass for the repose of the soul of Bishop Gallagher is to be offered up in perpetuity.

Councils Aid Broadcast Fund

The Rip Van Winkle Social Justice Club of Buffalo, N. Y., has welcomed Father Coughlin's return to the radio by sending the entire proceeds of its first year's activities—amounting to $525—as a donation to the broadcast.

Home Town Makes Donation

The Friends of Social Justice of Royal Oak, Mich., have sent in a broadcast donation of $100 realized from a dance and card party on the evening of January 13th at the V. F. W. hall in Royal Oak.

Spain As It Is

An eye witness account of "Spain As It Is" will be presented in forthcoming columns of SOCIAL JUSTICE.

This paper's correspondent, who lived in the trenches with Franco, and who talked with the soldiers of Caballero, will relate his first hand experiences in four articles, the first of which will appear in the first issue of our new magazine format early in March.

This is the most enlightening, fact-finding resume of the Spanish situation which, up to date, will have appeared in America. You cannot afford to miss this complete story which is written from the viewpoint of social justice.

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We Asked for Opinions-- Here Is the First One

Responsive to an interview with Father Coughlin, published in last week's edition of **SOCIAL JUSTICE,** wherein he indicated his hopes and his dreams for the future possibilities of a better **SOCIAL JUSTICE,** a flood of mail is coming in from readers of this National Weekly Review.

Naturally, it will take many days to read and to classify the opinions offered by the readers of **SOCIAL JUSTICE.** The accompanying communication is in no way favored above the others. It simply happens to be the first letter which was received. Addressing Mr. Walter W. H. Baertschi, president of Social Justice Publishing Corporation, this writer says:

Is SOCIAL JUSTICE to have a New Deal with braintrusters—Ph.D.'s, LL.D.'s D.D.'s, S.T.D.'s, etc.?—let "AMERICA," COMMONWEAL," "THOUGHT," "CATHOLIC WORLD," and others of the kind print their theoretical fulminations. We want to hear from our Congressmen and Senators in Washington what they are doing and not doing for us. Continued information of "the suppressed truth" is what we want, not personages—what difference all the strings of the alphabet so long as one speaks social justice, practices it, and spreads it for the common good?

Father Coughlin is too capable to need others to speak for him—sincere advisers, we all need.

We wonder if the Master would have been ejected from the synagog in Nazareth had He a D.D. or a Ph.D. attached to His name—and yet His knowledge and wisdom, infinite!

Is the new SOCIAL JUSTICE to be for the "masses" or the "classes"? Is SOCIAL JUSTICE going to "high-hat" its old plain folk? Please keep our National Weekly in the honest, truthful, straightforward field, like unto Christ, the friend of the common people. You saw and judged the calibre of the people who attended the mass meeting in the Manhattan Opera House in New York City—honest, hard-working men and women. All hungry and thirsty after JUSTICE!

Please retain our page "The People Speak." And please do not permit SOCIAL JUSTICE to become a "Catholic publication"—there are plenty of them now. Keep SOCIAL JUSTICE a Christian national weekly, free and unhampered to speak "the truth, the whole truth and nothing but the truth."—"THE SUPPRESSED TRUTH."

Keep SOCIAL JUSTICE for the common people. Keep for our Senators and Congressmen a vehicle through which to reach the common people in the language of the man of the street about government and public questions, especially money. Continue to publish this paper defending the rights of the common people and thus continue spreading social justice throughout all classes in America.

Success of our National Weekly and success in continuing the broadcasting of our dear leader, if his speech is to be REALLY FREE and untrimmed, will depend on the free-will offerings of the common people, whether they have much or little of this world's goods. The successful business man strives to please his customers.

Spain's Confidence In Money Follows Fortunes of Franco

Translation of an article in "Diario de la Marina," Havana, Cuba.

When the Nationalistic movement broke out in Spain, it was divided into two territorial zones. One, the "government," in which the anarchists and syndicalist hordes let loose the most cruel and chaotic revolution that history records; and the other, the Nationalistic Spain which the authority of General Franco has saved from destructive demagogy.

The circumstantial and geographical fact that the Banco de Espana and its gold reserve remained in possession of the "popular front," brought about from the very beginning to the leaders of the Nationalistic movement the very difficult problem of the financial guarantee of the bank bills in circulation in the Nationalistic Spain. According to the monetary orthodoxy these bills, stripped of gold backing, had every aspect of "wet paper."

However, nothing abnormal developed. Prices were maintained and confidence did not fail one moment. Authority, order and work have been the best safeguard of credit.

"Government" Bans "Rebel" Peseta

But that is not all. The peseta from the section of Spain saved from Marxistic chaos, the money which was at least temporarily stripped of the gold backing, one day felt proud of its position. It refused to be taken for the "red" peseta, although the latter claimed to be backed by the plentiful gold reserves of the National Bank. It was then that the government of Gen. Franco issued instructions to have the bills stamped.

As a result of this measure, the Valencia leaders, on January 4, made a solemn statement: "**The Bank of Spain will never be responsible for the stamped 'rebel' bills, the sole possession of which is considered a crime against the Republic.**"

After such a decree, the direct fall and destruction of the value of money in the Nationalistic Spain would have been expected as the inevitable consequence of this disruption in the instruments of credit of more than half of Spain, and the gold reserves of the bank.

"Red" Peseta No Longer Quoted

It was then that the peculiar phenomenon took place: While the Valencia peseta continued its downward trend which started at the beginning of the civil war, the stamped peseta of Nationalistic Spain started to reach an increasing quotation.

A few days ago the press gave us some reference. They have almost stopped quoting the "red" peseta, or else it is quoted at ridiculous prices. In the few places where it is accepted, its value is figured at 0.45 francs. Its quotation before the beginning of the war was, as is known, at about 2 francs.

On the other hand, the Nationalistic peseta is purchased at the rate of 1.75 francs, that is, not very far from its previous quotation at the beginning of the war.

This fact is well worth considering as a true revolution in the history of credit. The statement of the red government which tried to sink the economic organization of the Nationalistic Spain, has resulted in the exactly opposite effect to that sought.

Order Prevails in Franco's Spain

The cause? It is not hard to find! Neither is it difficult to choose between two alternatives: order on one side and chaos on the other.

In Nationalistic Spain life evolves in such a normal manner it is really surprising. Insofar as the production of raw materials and food stuffs is concerned, Franco's Spain finds itself in the paradox of an unusually great abundance. For many years the production of wheat was insufficient for the requirements of domestic consumption and was completed by annual imports. This year, as a result of an excellent crop, part of the wheat could be exported.

Against this promising reality, we see the zone of "red" Spain is writhing in dire poverty. In spite of having possession of the fertile eastern regions, starvation has appeared in "red" Spain.

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SOCIAL JUSTICE

NATIONAL WEEKLY REVIEW

REV. CHAS. E. COUGHLIN, LL.D.
Editorial Counsel
(By permission of his Superior)

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PRINCIPLES OF SOCIAL JUSTICE

1. Liberty of conscience and education.
2. Just, living, annual wage.
3. Nationalization of important public resources.
4. Private ownership of all other property.
5. Control of private property for public good.
6. Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.
7. Restoration to Congress of its sole right to coin and regulate the value of money.
8. Maintain cost of living on an even keel.
9. Cost of production plus a fair profit for the farmer.
10. Labor's right to organize.
11. Recall of non-productive bonds.
12. Abolition of tax-exempt bonds.
13. Broadened base of taxation on basis of ownership and capacity to pay.
14. Simplification of government and lower taxes.
15. Conscription of wealth as well as men in event of war.
16. Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.

Money Bags and Mass Murder

FAR beyond the ranks of the merely sentimental there is evident a sickened horror at the type of war news that has come during the last year from the Spanish and the Chinese fronts. Cities blown up by aerial bombs. Women and children massacred by the hundreds and the thousands. Death dropping stealthily, silently and swiftly from the heavens.

Even the most calloused are shocked by the lurid reports and the gruesome pictures appearing daily in the newspapers. They call it mass murder.

It is well that America is emotionally stirred; but the time is past for mere emotional response to the satanic onrush of the New World paganism. If civilization is to be saved the American people as individuals and as a nation must begin to think.

Consistently, **SOCIAL JUSTICE** has counseled restraint and deliberation in considering the world crisis and the perilous position of our country in international affairs. Consistently, these columns have insisted that our government is in an unique position to restrain the insanities of militaristic nations by her commanding financial position.

As these lines are written the report comes that strong opposition to the war policy has arisen within the Japanese government, based on grave fears that the pursuit of imperialistic objectives in China will bankrupt Japan. Independent observers have stated insistently and repeatedly that Japan's military offensive against China, if vigorously prosecuted, would quickly bring financial ruin to the aggressor.

It is now feared by the more conservative elements of the Japanese parliament that a war budget of eight billion dollars will wreck the credit of the empire.

As modern warfare is waged eight billion dollars does not last long. What folly it would be, therefore, for this nation or any nation, out of sympathy for China, to join in an orgy of mass murder which probably would have liquidated itself before any offensive allied with China could have gotten well under way.

Successful war cannot be waged without literally unlimited credit—and only the United States can supply that kind of credit. If our government continues aloof from foreign entanglements and avoids any kind of commitment to any foreign power, "democratic" or otherwise, a major European conflict must liquidate itself within a relatively short time, as the undeclared Sino-Japanese war already promises to do.

The Press Catches Up

BEFORE the Ludlow Amendment—which would have taken the power of declaring war away from the Congress and placed it directly in the hands of the people—was voted upon in the House of Representatives, the subsidized press of the nation opposed it bitterly and uncompromisingly.

SOCIAL JUSTICE, on the contrary, while it did not support the principle incorporated in the Ludlow resolution (we still are devoted to the ideal of representative government), found the issue raised by the resolution extremely significant.

The American people have shown an amazing consistency in opposing any and every development of the past two decades which they felt might endanger our government's position as a neutral or which might lead us into alliances even remotely connected with military affairs.

If ever the people of this nation have issued an unmistakable mandate, that mandate was, repeatedly, that no Congress and no president permit this nation to be led by foul or fair means into the bloody and futile brawls of the Old World.

In spite of the repeated mandate of the people, our president needlessly and recklessly delivered a speech at Chicago in which he virtually declared that this nation would again commit the folly of going to war for "peace" and in which he tried to shatter the morale of our citizens by solemnly warning them that if Europe again descended into the slaughter-house of general war, that the United States could not keep out of it.

SOCIAL JUSTICE remarked that it was strange that the daily press, which has been so consistently against the president in domestic matters, was so unitedly with him in his tom-tom beating for the makers of war.

SOCIAL JUSTICE reminded the people that the press was consistent in opposing the Ludlow resolution because it had opposed, as long as it was safe to do so, every concerted move of patriotic men and groups to insulate this continent from the war shocks of Europe.

SOCIAL JUSTICE said that, however discordant with the American ideal of representative government the Ludlow proposal might be, the popular power behind it would have two salutary results:

(1) It would again demonstrate that our people are still unalterably opposed to our involvement in any foreign conflict for any reason, and,

(2) It would serve warning on the members of Congress and the president himself that the people are beginning to doubt very seriously that their elected representatives are even trying to represent them.

Since the Ludlow resolution, on a showdown, with all the political power of the president and **both major political parties** arrayed against it, mustered a vote only a few short of a majority in the House, the press of the nation has been falling over itself to get on record with the thoughts that **SOCIAL JUSTICE** expressed before the event.

The Learned Senators

THE world continues to become a more complex jumble of hazards to the life and progress of every nation.

At home here in the United States a new depression is resisting the most vigorous efforts of the wise and the serious to make it seem only a recession occasioned by a state of mind.

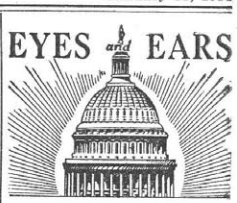
The executive department of our government appears to be taking it all seriously. The president, while he will probably disregard their advice, is at least busily trying to find out what our most successful business men think will end the recession.

The House of Representatives is entangled in the absurdity of trying to increase appropriations and reduce taxes; but at least it is busying itself about important matters.

What is the matter with the Senate? For weeks the learned Senators, as they enjoy calling themselves, have been filibustering over a bill that would put an end to lynching, a practice that is practically dead in this country and one which should be handled by the states anyway.

Do not the learned Senators realize that in these days of fear and doubt the most uninspiring thing in the world is the kind of political horseplay in which they are now engaged?

EYES and EARS



By Mark Meechan

RECENTLY we were severely taken to task by a correspondent in West Nyack, New York.

"I cannot agree," he writes, "with Mr. Meechan's 'Eyes and Ears' when he tries to hang all our troubles on the politicians and the administration at Washington."

We must plead not guilty to so comprehensive a charge. Never was it the intent or the effect of this column "to hang all our troubles on the politicians and the administration."

Had our correspondent followed our trend of thought consecutively over even so short a period as six or eight weeks, he would know that we have suggested rather forcefully and consistently that there are several other groups who should have a few of "our troubles hung upon them:"

1. Indifferent, idle-minded and greedy citizens of the "forgotten-man" classification.

2. Short-sighted, exploiting and equally greedy industrialists and financiers, all of the "economic royalist" group.

3. Radical, law-defying and double-dealing labor leaders, a new class of "royalty" which has arisen under the New Deal.

Those who have read will remember and fly to our defense.

As for our West Nyack correspondent, we would plead with him to read our last week's thought about the dangers of violating the individual integrity of certain respectable English words. He has treated the indispensible "all" most cavalierly.

* * *

"The phrase "Crooked Politicians," further writes our correspondent, "has been used for a long time to hang the alibis of dishonest big business on the shoulders of politicians whom they bribed to get special privileges. The receiver is as bad as the thief; the briber is worse than the bribed."

Personally, we would say with Shakespeare and with Franklin D. Roosevelt: "A plague o' both your houses."

There is little to be preferred between the briber and the bribed. Some there are who hold the bribed in greater contempt—and that measures our regard for the politicians, largely considered.

When a man, who has a high and sacred public trust, permits himself to be bribed into the betrayal of that trust, he is doubly a villain. He de-

(Continued on Page 14)

Leadership of Hypocrisy

By Edward Lodge Curran, Ph. D.

American Students Union Jumps Through Hoop At Senseless Bidding of Reds

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ANYONE who has read anything of the writings of Marx-Engels-Lenin-Stalin, the four "scarlet fever Marx brothers," knows that Communism is against God, against morality, against religion, against democracy, against peace and against labor.

If the same reader knows anything about Communistic tactics, he also knows that Communism talks of devotion to democracy at the very moment that Communism has crushed every democratic right and process in Soviet Russia.

Kamenev and Zinoview stood side by side with Lenin during the Russian revolution of November, 1917. But Kamenev and Zinoview, not to mention countless others, dared to criticize the policies of Stalin. They were thereupon given the Russian democratic privilege of standing side by side before a firing squad. Criticism, the most elemental right associated with democracy, is denied and denounced in Soviet Russia.

The same hypocritical tactics are employed by Communism in the field of labor. Our American democracy has gone on record against the principle and policy of company unions. The union of workers must be effected without any dictation or reprisals on the part of industrial management. Not so in Russia. **The only union a worker can belong to in Russia is a "company" union. All Red Trade Unions in Russia are company unions.** Despite the receipt of starvation wages and incredible living conditions, no strike has occurred in Soviet Russia because the government-management of Russia dominates the Red Company Unions and will permit no strike.

State Despotism Masks as Democracy

Every religion is likewise subjected to this hypocritical attack. Earl Browder, in his own official manifesto, declares that Communism stands for a system of education which will root out the notion of God and the supernatural from the minds of men. This is a battle cry against all religions, and not against any one religion in particular. The largest society tolerated and supported by the red government of Soviet Russia is the Union of Militant Atheists. Communism in Russia supports anti-God museums and anti-God publications.

Yet, American Communists find no difficulty in swallowing their blasphemous principles in their efforts to have certain religious leaders and organizations unite with them in a common front. Following in the footsteps of the Prince of Lies they assure these religious leaders and organizations that Communism is not opposed to religion. No greater falsehood or hypocrisy was ever perpetrated upon the American people. Communistic hypocrisy is only surpassed by the philosophical ignorance of those American Liberals whose blessing is solicited by American Communists.

AS for democracy, Soviet Russia stands out as the most brutal and blasphemous exhibition of State tyranny in a world that already has too many dictatorships on its roster. No right to criticize, no freedom of press, no freedom of assemblage, no political or civil or economic liberties exist in Russia. Their absence is not accidental. It is purposeful, part and parcel of the principles of Communism. There is no dictatorship of the proletariat in Communistic Russia. Communists in Russia constitute less than one and one-third per cent of the total population. **Ninety-eight and two-thirds per cent of the population of Russia are not Communists.** Communism in Russia means a dictatorship over the proletariat, a dictatorship which is maintained by the suppression of all democratic rights, by the constant operations of a government spy organization, known up to recently as the OGPU, and by the menace of the Red Army, with all its special privileges and power, and with its determination to go outside Russia and fight in any country and against any government wherever its services may be needed.

American Students Dupes of Reds

In other words, Communistic procedure is governed by the immoral principle that "the end justifies the means." American Liberals once used to condemn this immoral principle. Where are the American "John the Baptists" now?

In view of these facts it is surprising as well as alarming to find American students so abject and so slavish in their submission to the dictates of Moscow. Formerly, we used to pride ourselves upon the fact that American education produced students with originality and independence of thought. That was true until Communism, "the opium of the masses," penetrated their minds with its hypocritical hypodermic.

We are referring, of course, to the American Students Union. What is the American Student Union? It is an organization of American students permeated by the Communistic principles that the present order of society must be overthrown by violence. It is an organization controlled in its conventions and demonstrations by the anti-democratic hypocrisy of Communistic leadership.

It was formed in December, 1935, at Columbus, Ohio. One of its antecedents was the Socialist-dominated Student League for Industrial Democracy. The other was the National Student League whose Communistic thought and policies urged its members to picket Japanese consulates in Chicago and elsewhere "for the defense of the Chinese Soviets."

FROM the very beginning of its organized life, in 1932, the National Student League became the agent of Communistic propaganda. On September 28, 1932 the Daily Worker published an appeal issued by the New Masses for financial support to aid the League. Among the signers of the call were Roger Baldwin, who believes that Communism is the goal but who has not yet gotten up enough courage to establish a Civil Liberties Union in Soviet Russia; Corliss Lamont, a Communist and a writer of Communist pamphlets; Scott Nearing; John Dos Passos and others of kindred complexion.

Student Union Born of Red Alliance

Out of the companionate marriage of these two organizations, one militantly socialistic and the other militantly communistic, our modern undergraduate hero, the American Students Union was born. It inherited from both sides of its parentage. The inaugural executive committee consisted of eleven Socialist sympathizers, nine Communist sympathizers and ten unaffiliated liberals. **What an unaffiliated liberal means can usually be known by straining the wildest imagination to the breaking point. In too many cases an unaffiliated liberal means a liberal whose mind is unaffiliated with common sense or American democracy.** That must be one of the reasons why the delegates were refused admission to the campus of Ohio State University. This is also one of the reasons why Boake Carter in his column in the Daily Mirror admits that "the American Student Union is dominated by genuine radicals."

To prove its un-Americanism the Students Union called for "the right of students and instructors to engage in anti-war activities without fear of reprisals," even if the exercise of such a right would be contrary to the national or international policy of our federal government at any particular time. "Compulsory military training in all schools" was likewise to be abolished. No reservation of the fact that the possibility of adequate national defense might sometime necessitate the military training of students, was taken into consideration.

The Communistic policy of preparing for violent revolution by crippling national defense was to be strictly followed. While denouncing war and Fascism, the student luminaries gathered at Columbus, Ohio, were strangely silent about Communism. The Student Union went even further. It condemned in its platform all "red-baiting," a name used by Communists to label any individual or any organization which has the courage to go on record as anti-Communist.

WE now come to the most delightful bit of chicanery ever imposed upon American students. At its Columbus convention of 1935 the students were forced to adopt the "Oxford Peace Pledge" by a "vote" of 244 to 49. The cowardly and unethical "Oxford Peace Pledge" reads as follows: **"We refuse to support any war conducted by the United States government."** What a tribute to the sterling Americanism of the students there assembled! No effort was made to conceal the fact that the adoption of the "Oxford Peace Pledge" was meant to be a weapon to cripple the national defense of the United States of America. A great peace demonstration, animated by the principle of the "Oxford Peace Pledge" was launched. And here is what Joseph P. Lash, executive secretary of the Student Union, had to say about it:

> "Right now we are primarily interested in putting over the peace demonstration. We expect more than 300,000 college and high school students to answer the call, compared to 175,000 who answered last year. The strike is more than a mere show of hands or how students feel about war: it is planned as a dress rehearsal for what we expect will happen if the United States ever goes to war."

These are not the words of Benedict Arnold. They are the words of Joseph P. Lash who winds the American Student Union around his finger and who in turn is but a tiny and perhaps insignificant cog in the Frankenstein wheel of Communism propaganda and treachery.

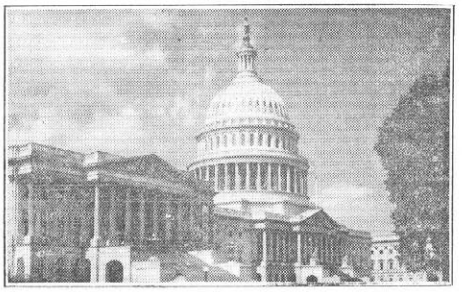
Right About Face On "Peace Pledge"

Now comes the hypocritical reversal. For two years the American Students Union has glorified the "Oxford Peace Pledge" and gazed with bourgeois contempt upon any "backward" student who are American enough to refuse the pledge and to hold themselves in readiness for the defense of our American democracy.

Now comes the 1937 convention of the American Students Union in New York City, and Mr. Lash, ever obedient to his Communistic higher-ups even if they make him look ridiculous, demands that the "Oxford Peace Pledge" be scrapped. Two years ago the young men and women at Columbus, Ohio, were geared to frantic and enthusiastic adoption of the Peace Pledge. Now, the same young men and women, with a two years' increase of membership, are geared to frantic and enthusiastic denunciation and repudiation of the Peace Pledge.

What a spectacle! What a commentary upon the individualism and freedom and academic liberties of so-called American students! One year the teacher calls for united hands on the Peace Pledge. The students "rally 'round the Maypole." Another year the teacher calls for united hands against the Peace Pledge. The students break down the Maypole. If this is academic freedom, you will only find its counterpart in Moscow.

(Continued on Page 14)



RECORDINGS FROM CONGRESS

Do Not Forget Real Message From Jackson

By Hon. Pat Harrison
Senator from Mississippi

Throughout the country on Saturday night were held gatherings of Democrats and followers of the teachings of that great American, one of the chief advocates and expounders of democratic doctrine, Andrew Jackson.

Harrison

So far as I have seen or heard, some of the fine philosophy once expressed by him was not uttered by anyone at any one of these occasions. So in the atmosphere that surrounds the discussion of the question before the Senate, I wish to read a few passages which are most pertinent to the issue here.

I speak now directly into the ears of my friend from New York (Senator Wagner), one of the authors of the pending bill, who presided at one of the great Jackson Day meetings in New York City.

"It is well known that there have always been those amongst us who wish to enlarge the powers of the general government, and experience would seem to indicate that there is a tendency on the part of this government to overstep the boundaries marked out for it by the Constitution. . .

"Every attempt to exercise power beyond these limits—"
Says Andrew Jackson—
"should be promptly and firmly opposed, for one evil example will lead to other measures still more mischievous; and if the principle of constructive powers or supposed advantages or temporary circumstances shall ever be permitted to justify the assumption of power not given by the Constitution, the general government will before long absorb all the powers of legislation, and you will have in effect but one consolidated government."

I hope my democratic colleagues who paid their $100 the other night to attend the dinner will think about these words when they vote upon this legislative proposal.

Causes of Depression Traced To Policy of Last Five Years

By Hon. Roy O. Woodruff
Representative from Michigan

The present situation is totally at variance with what we have for five years been led to believe, or that definite plans for recovery were operating according to schedule, and that the dangers of a recession in the prosperity of the nation had been permanently averted.

We have been told that depression was conquered and that business was on a permanent and stable uprise because "it was planned that way."

Fear and uncertainty have caused the setback. Not only do capital, industry and business have this feeling of fear and uncertainty, but the consumers of this nation feel that fear and uncertainty.

Rising prices, lowered purchasing power of our money, accompanied by a rapid decline of retail sales show that the fears that have been generated by experimentation, uncertainty of plan and policy, and danger of foreign entanglements, have gone deep into the public consciousness.

These are some of the conditions which constitute the reasons for these fears and their resultant phenomenon of depression.

For five years business and industrial leaders of the United States have been assailed, abused, and accused of being conspirators against the welfare of this country.

For five years class hatreds, class hostilities, class prejudices and class consciousness have been generated and nourished by political demagoguery.

For five years there has been a constant and unremitting drive for the regimentation and regulation of business, of agriculture; of every activity in which the citizens of this country are normally engaged. This drive has been conducted by an army of bureaucrats bent wholly upon perpetuating themselves in power by lavish and wasteful spending, regardless of the terrible cost to the people of the nation. This drive still continues.

For five years business and industry have faced a continuous campaign for punitive taxation.

For five years finance, business, agriculture — the whole national economy have been treated as guinea pigs in the laboratory of legislative experimentation.

For the greater part of five years, there has been an unremitting campaign to drive prices to the levels of 1926 and yet with prices still 10 or 15 per cent below the 1926 levels, it is now recognized that high prices have produced a rebellion on the part of consumers whose dollars have decreased in purchasing power, until today their incomes no longer enable them to live as Americans should live.

For five years this nation has not known what our foreign policy was or might be from day to day.

For five years, American industry, American agriculture, and American workers, have faced the ever-increasing and widening threat of competition in our own markets with cheap foreign commodities produced by cheap foreign labor, and still the campaign for reciprocal trade treaties goes on unabated.

For five years this nation has been subjected to a constant series of alarms. **A new "emergency," or a new "crisis" has been from time to time heralded by those in places of high responsibility; each time to be followed by a demand for new legislation to grant some "new instrument of power" to a branch of government in which power has already been overcentralized.**

These are facts, and there is not a single voice raised today to deny them.

If we are to reverse the present trend, we must first allay the fears which have produced it. This can be done only by forthright declarations from the responsible leaders and officials of government that persecution and strangulation of business are to cease;

That punitive and paralyzing taxation is to be abandoned;

That American industry, American agriculture, and American wage-earners are not to be swamped and suffocated by an influx of cheap foreign goods;

That actual attempts to balance the budget shall replace empty promises;

That incitement of class hatreds and class prejudices is to cease.

Nothing has happened in America to justify this recession, insofar as potential production and potential consumption are concerned.

The solution for this problem is to be found in that fundamental philosophy enunciated on the hills of Galilee nearly 2,000 years ago: "Peace on earth to men of good will" can be applied to economic questions, to relations between government and business, to relations between capital and labor, to relations between states, and finally to relations between the nations of the world.

Champions Wine and Dine But Underfed Stay Hungry

Hon. J. Will Taylor
Representative from Tennessee

Mr. Farley boasts that almost a half million dollars was realized from these various Jackson Day dinners, but mark you, not one single solitary penny of it will be used to alleviate the desperate condition of the 'underprivileged" about which the President and his cohorts constantly prate.

One thousand New Dealers who for the past few months have been beating their breasts and shedding great crocodile tears on account of the woe and distress of the so-called "underprivileged" in the United States, assembled beneath the brilliant chandeliers of the Chinese room of the $10-million Mayflower Hotel, and arrayed in their spats and scissor tails, sat down to a $100-per-plate dinner, **in alleged honor of that rugged old commoner, Andrew Jackson.**

The only thing that marred the revelry of the occasion as these great champions of the "underprivileged" regaled themselves on diamond - back terrapin and breast of capon, farci perigourdinine with old Madiera of 1928 vintage flowing freely, were thoughts of the 40 million "underprivileged" in our country, which thoughts, like Banquo's ghost, would not down despite the festivities.

Taylor

The "economic royalists" are said to have enjoyed a brief moratorium from diatribe during the feast, which according to all accounts, would have been beyond the aspirations and resources of old Belshazzar himself.

I wonder if the hallowed bones of Old Hickory did not turn over in his grave during this farcical performance.

Present Chief Not Hostile to Big Business

By Hon. Wright Patman
Representative from Texas

What does big business mean when it asks for government co-operation? Does it mean the sort of co-operation that was given to it under the Hoover administration? We can think of no other. Then let us look at big business' own record under the "co-operative" administration of President Hoover and under the "hostile" administration of President Roosevelt.

Patman

In 1932 three building-material companies lost approximately $3-million; in 1936 those same companies made a gross profit of approximately $9-million.

In 1932 two mail-order houses lost eight million; in 1936 they made a profit above fifty million.

In 1932 three chemical companies made a profit of $27-million; in 1936 they increased that profit to $96-million.

In 1932 three farm-implement companies lost $15-million; in 1936 they made a profit of $44-million.

In 1932 four steel companies lost $82-million; in 1936 they made $70-million.

In 1932 two automobile companies lost $11-million; in 1936 they made a profit of $301-million.

In the face of those astounding profits under the present administration, big business will never be able to convince the American people that it has been imposed upon, destroyed or even threatened. It has merely been saved from ruin and restored to arrogance.

Eccles Also Is Blamed For Slump

Reserve Board Governor Is More Responsible for Depression Than Loyal Veterans

By Hon. John E. Rankin
Representative from Mississippi

It seems strange to me that Mr. Eccles would single out the World War veterans and contend that the amount paid to them in settlement of a just debt caused this recession, when many times the amount paid to the veterans has been spent for other purposes. No money that has yet been paid out by this administrattion did more good, dollar for dollar, than that paid to the veterans on their adjusted-service certificates.

Rankin

It was not wasted; it was spent for food, for clothes, and other necessities of life, the payment of debts, the lifting of mortgages on veterans' homes.

The truth of the business is that **the one man most responsible for this recession is probably Mr. Marriner S. Eccles himself** (if he is as influential with the Federal Reserve Board as he is supposed to be), and he need not try to pass this buck to the World War veterans.

This recession is caused by a contraction of the currency or the lack of a sufficient amount of circulating medium to carry on the business of the nation. We can never pay the debt made on inflated prices and meet the expenses of this government on the present price level.

We can never hope to raise those price levels except through a reasonable controlled expansion of the currency. That can be done only through the Federal Reserve Board so long as that board retains its present power, unless the President of the United States should exercise the power granted to him by the Congress to issue $3-billion against the gold reserve we now have and put that money in circulation.

If Mr. Eccles wants to help restore prosperity, let him snap out of his gold complex, stop listening to Wall Street bankers, and help give us a reasonable, controlled expansion of the currency that will bring prosperity to the American farmer, bring back normal conditions, **without piling additional billions of dollars of debts onto the backs** of the American people to be passed on to posterity.

Unless that is done, Congress will have to take steps immediately to resume its power of coining money and regulating the value thereof, as provided by the Constitution of the United States, and then exercise that power by providing for the issuance of a sufficient amount of currency against our present gold reserve to restore prosperity to the American people without borrowing the extra billion dollars to which Mr. Eccles referred.

We See By the Papers

Catholic Press Hails Broadcast

From LIGHT, Magazine of International Catholic Truth Society

"The editors of Light take great pride in welcoming the reappearance of Father Coughlin upon the radio. Sunday after Sunday, into the minds and hearts of thirty millions, the magic voice of Father Coughlin rose and fell with the accents of true Americanism and Social Justice.

"Earl Browder has the brazen effrontery to say that Communism is twentieth century Americanism, despite the fact that Communistic Russia is a prison camp, that Communistic Russian goods sold in this country are produced by slave labor and that Communism is the denial of democracy.

"Father Coughlin has stated and has proven that twentieth century Americanism is Social Justice. His voice has called upon all his fellow-American citizens to recognize the rights of God as well as the rights of man. He has revealed the machinations of international bankers who care nothing for the rights of God or the rights of man as long as their bank accounts keep swelling with the ill-gotten fruits of modern usury.

"The American nation needs the leadership of Father Coughlin, now more than ever. May God bless him and keep him!"

From the ECHO, Buffalo, N. Y.

"Father Coughlin's decision to resume his broadcasts will be welcomed by countless thousands who have rejoiced in his courageous battle for social justice. We join wholeheartedly and unreservedly in that welcome. . . .

"These columns have differed with Father Coughlin both in some statements of economic and social doctrine as also in his occasional manner of presentation. But we also sincerely believe in a reasonable freedom of action for one who has ability such as his, that amounts to genius, to teach and inform. . . .

"Father Coughlin can, under due authority, render a great service to God and country in this projection of Christian principles into a pagan world. May his powerful voice and personality be dedicated anew to this great and worthy objective!"

Editor's View Just Another

C. Roy Grinnell, in Newport County (R. I.) Sentinel

"If every earnest person who would understand our situation, could subscribe to the only paper which tells the unvarnished truth, **SOCIAL JUSTICE**, the masses would not be wallowing in ignorance of our real present peril."

Fr. Laudenbach Extols Virtues Of His Friend, "Dr. Gallagher"

Sermon Delivered at Shrine of the Little Flower by Rev. Henry B. Laudenbach, Pastor of St. Louis Church, Buffalo, N. Y., on January 20

Reverend and dear Fathers, Beloved Brethren:

A year ago marked the passing into eternity of your beloved Bishop, leader and friend, Bishop Michael James Gallagher of blessed memory.

Since it was not possible for me to attend the funeral, your pastor, Father Coughlin extended to me an invitation to sing his first anniversary mass this morning and to preach the eulogy on the deeds and memory of this true pastor of souls, unique in his life as in his accomplishments.

As we are told in the historic St. Paul's Cathedral of London, England, to "read the epitaph of its creator in the fane enshrining his mortal remains," so must the traveller to this archdiocese of Detroit just look about him and remember what Bishop Gallagher did in the period of time alloted to him in this See.

Close to nineteen years he held the crosier of justice and ruled this important part of God's vineyard with all the power of a man born to the manner.

I speak of him as a friend.

It was back in the year 1895, we met for the first time in the mountain city of Innsbruck, the capital of the historic Tyrol, in Austria. He was the senior, myself the Benjamin of the "Lands-mannschaft" or group of Americans gathered there to study philosophy and theology under the guidance of what was then, and is today, as fine a corps of Jesuit savants made up of diverse races, as has ever been teaching aspirants to the priesthood in modern times.

This may sound, and will probably be taken, as the sentiment of an ardent lover of the Alma Mater on the Inn. But it has its foundation in the partial roster of professors in the faculty:

Let me list just a few:

The great dogmatician, Hugo Hurter, whose textbooks are in use all over the Catholic world. Hieronymus Nolding, the moralist, of whom it may be truly said that his opus is used in every part of the globe; may I just say that every seminary in Austria, 24 in Germany, 28 in Italy, 19 in Poland, 12 in the United States instruct the tyro of moral according to his system.

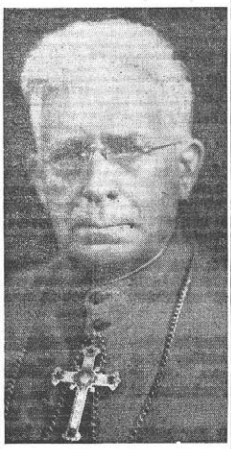
Outside of the theological faculty, it was our privilege to hear Dr. Ludwig von Pastor, the historian of the Papacy par excellence, and the first to gain admittance to the Secret Archives of the Popes.

Is it any wonder, then, that Dr. Gallagher had an unusual mind, well stocked with the treasures of solid learning and true churchly thinking? The love for the admirable and humble teachers of his Innsbruck days never left him and was in itself a shining mark of his marvelous and cosmopolitan character.

In that rather primitive but inspiring seminary, the young student from Grand Rapids got a first rate training for his future as Bishop of this Diocese, made up of so many races and peoples. Innsbruck numbered men from nearly seventy dioceses and sixteen religious orders, from Ireland to the Balkans, from Egypt to the antipodes in Australia.

As you well know, the future activities of Dr. Gallagher were to be exercised in this great state of Michigan.

1866 - 1937



Bishop Michael James Gallagher of Beloved Memory.

Bishop Richter, his fatherly friend kept him in the curia of his diocese of Grand Rapids, as Chancellor, Vicar-General, Coadjutor and finally in the Providence of God, he was installed Ordinary of that well-regulated and wide-spread See.

Laboring fruitfully and joyously in his home, amongst priests and people known to him as members of one family, he was asked by the Holy See to leave his well-beloved vineyard to cultivate the immense one here in Detroit, after a short incumbency of only two years in your neighboring diocese.

I well remember his visit to Buffalo when he was promoted. He shrank from the task. Had no ambition to move, but his friends assured him that God had spoken; that he was needed and should not refuse. He very humbly took the advice proffered and came to you in the fullness of strength with zeal unlimited.

As I said in the beginning of my personal narrative; his monument is about us in every corner of this vast territory, which is now your Archdiocese. Parishes, the basic necessity, a seminary for the aspirants to the priesthood, and the field where were to grow the hundreds of vocations for the new churches and convents and schools.

All this I do not intend to recall; his death only a year ago, makes that unnecessary, even futile.

But I must perforce say a few words, on the Shrine where we are now assembled to honor Bishop Gallagher's memory. He loved this church and the work it is to serve and has nobly served. It is not so much a place for miracles as for the ideas of universal and social justice which is in its effects, the miracle of the Holy Spirit changing and illuminating the souls of men.

This is the reason for the existence of this beautiful different church; to disseminate amongst its callers and worshippers the love of God so mystically shown by the Little Flower in her obscure and hard life of the Carmel of Lisieux. Bishop Gallagher and his faithful priest, our Father Coughlin, in the newest gospel pulpit called the radio, have essayed to preach to the world what they considered the genuine doctrine of the Bride of Christ, in the desperate struggle of the economic arena here and in the world at large.

And so it is most befitting that the memory today, on the first anniversary of his death, should be solemnly commemorated by you and by us, his priest-friends, on the spot which Bishop Gallagher saw grow, from an insignificant and tiny beginning to the great church, dedicated to the spread of Papal teachings for the enlightenment of our day and hour.

It has been said that St. Paul, were he to revisit this earth of ours, would be a newspaper man. We may truly add: he would use the air to propound the vivifying doctrines of his Master to a darkened world. He would not hesitate or fear contradiction, for, by its very nature, our belief will be a stumbling block and an offense to the spirit of ruthless profit and the ignorance of modern tactics for piling up money out of the misery of the laborer.

Bishop Gallagher was highly interested in this Pauline campaign, of the program preached for so long from this corner of the Twelve-mile road. As we pray for his soul's rest today and implore for him the place of refreshment, of light and peace, in the sleep of those who have gone on with the sign of Faith triumphant, may we be given the understanding in a miror, darkly, as St. Paul tells us to conquer the many obstacles which beset us, and which he now, in God, has finally overcome.

I am sure that in this hour, in this service for the dead, we should pray for your Shepherd of Souls, the Most Reverend Archbishop Mooney, who has been sent to rule this See in place of our departed friend. I have had the honor to know him in the past decades and have admired the qualities of heart and soul which have carried him through to the responsible positions which the Holy Father rather, now gloriously reigning, has entrusted to him to fill.

Let us pray for our good friend, the pastor of the Shrine and the Apostle of the air, Father Charles E. Coughlin. Truly, his is a responsible and arduous work; one fraught with much labor and immense criticism from the audience of the world at large. We pray in all sincerity that he may be spared to carry the torch of truth to us and to our countrymen of all races and religions.

This, dear friends, is my message to you on the anniversary of your late Bishop.

Eternal rest grant him, O Lord, and Light eternal be his portion.

Who Are The Defaulters?

From the Catholic Daily Tribune

"Chairman Jesse Jones of the Reconstruction Finance Corporation has announced that he will ask Congress to authorize him to 'write off' the R.F.C.'s books the sum of $2-675,000,000 which the American taxpayers are stuck for.

"This amount represents defaulted 'loans' by the R.F.C. The **SOCIAL JUSTICE** weekly is quite correct in asking: "Will Mr. Jones keep secret the names of these defaulters?"

"It will be interesting to hear what Congress is going to say to the Jones proposal."

Brooklyn Diocese Holds Seminar on Social Justice

NEW YORK, N. Y.—Social and economic problems, considered in the light of the papal encyclicals "Rerum Novarum" and "Quadragesimo Anno" were discussed in a two day seminar here, under the direction of the Most Rev. Thomas E. Molloy, Bishop of Brooklyn.

The seminar, convened in the spirit of social justice, was under the chairmanship of Thomas E. Murray. A diocesan committee and the Brooklyn Catholic Charities organization were the sponsors.

Contraction of Credit Money

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How Panics Are Born

THE **time** was the perilous days beginning in late 1929. The **setting** was Wall Street, New York. The **crime** was strangulation of the financial resources of this country, precipitated by a crash in the stock market. The **method** was withdrawal of over 17 billions of dollars from the channels of business. The **motive** was greed. The **effect** was starvation, misery and unemployment. The **criminals** were a small group of international cut-throats, who went unpunished.

Those, in brief, are the sordid facts surrounding the greatest depression in the history of the United States — a depression that lasted until 1934 and which threatens to occur again before the nation has fully recovered.

According to figures prepared, but not published, by the Federal Reserve Board, bank deposits (money created for loan-making) shrank 17.2 billions of dollars between December 31, 1929, and December 31, 1933. Of this amount, 11.4 billions was in member banks of the Federal Reserve System. During this period, 10,111 banks failed or were taken over by other banks.

There were 24,630 banks in the United States in 1929, of which 8,552 were members of the Federal Reserve System. Yet these 8,552 member banks were responsible for the entire 17.2 billions shrinkage in bank credit in the four-year period.

They Controlled All Banking Policies

Despite the relatively small number of Reserve banks, they possessed more than one-half of the deposits of all banks in the country. Their policies controlled the policies of all banks then as they do now.

Shrinkage of deposits forced loan-calling, and loan-calling meant the erasure of 17.2 billions of the credit money with which 95 per cent of the nation's business is carried on.

The 12 Federal Reserve banks did not actually lend this money to the public. They rediscounted for their member banks only. However, through this function they exercised an all-powerful influence over the extension of credit by the whole banking system.

To fully understand this, let us examine the infernal machine that supplies the motive power for our banking system.

Banks lend, not real money—but "promises-to-pay" money. Father Coughlin has explained the modus operandi of this transaction before, both in his broadcasts and in his book, **"Money: Questions and Answers."**

For instance: John Jones, a business man, needs $10,000. He goes to the bank and explains the nature of the business enterprise he wishes to undertake. Before making the loan, the bank appraises the value of the collateral, or security, Jones has to offer — his business, factory, farm, home, etc.

"Deposit" Is Not Money in Bank

If the banker is satisfied with the amount of real wealth to be pledged, he gives Jones a note to sign. This note is a mortgage on the wealth Jones owns, and gives the banker legal power to confiscate the wealth if Jones does not repay the money he has borrowed within a specified time.

The banker then manufactures the money to be loaned on his ledgers. He does this in the following manner:

On the "Asset" side of the ledger he writes:

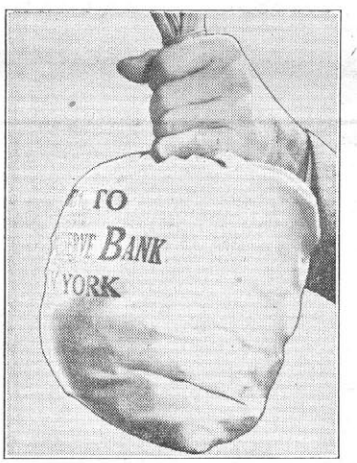
	Assets	Liabilities
Loans, discounts	$10,000	
On the "Liability" side:		
Deposits		$10,000

With this double stroke of a fountain pen the banker has manufactured into existence $10,000 more money than was available before the entry was made.

Jones leaves the bank, not with actual money, but with a bank book showing a "deposit" of $10,000 to his credit.

A "deposit" of this kind is actually nothing but a liability of a bank—a promise-to-pay. It is money the bank owes, not what it has in the vault.

The common name for bank-manufactured money is bank credit, or credit money. Through



the medium of checks, it is used to conduct about 95 per cent of the total business transacted in the nation.

When Borrower Jones repays his loan, his "deposit" is deleted from the bank ledger, and $10,000 is **automatically cancelled out of existence.** This is important to remember. For the cancellation of credit money has been the immediate forerunner of every major depression in the history of the country.

If Jones does not repay, the banker confiscates the real wealth that has been pledged as security for the loan. If he does repay, the banker contents himself with the collection of interest. The banker has nothing to lose and plenty to gain either way.

Banks do not confine their functions to the lending of money to private citieznS. The big ones belonging to the Federal Reserve System also manufacture money to lend to the United States government.

Federal Reserve banks and their members create money for the government as local banks do for private citizens, a fact not generally known and understood by the people.

Our money is born out of Constitutional wedlock and has its inception in debt. Here is its case history:

Bonds Are Mortgage On Homes, Farms

(1) The Secretary of the Tresury instructs the Bureau of Engraving to engrave United States bonds, interest-bearing but tax-free, of a fixed number and value.

(2) These bonds, which are a first mortgage on the national wealth (homes, farms, businesses and incomes), are quickly bought up by big banks throughout the country. Each bank offers to buy more than it hopes to get because this is a something-for-nothing proposition.

(3) When the banker receives the bonds he makes a bookkeeping entry just as he does when he receives a mortgage on the wealth of the aforementioned John Jones. On the asset side of his ledger he writes:

	Assets	Liabilities
Government Bonds On the Liability side of his ledger he writes:	$1,000,000	
Deposits U. S. Govt.)		$1,000,000

(4) Uncle Sam can now write checks against that particular bank up to $1,000,000. **The checks he writes and signs are money.** When new government bonds are taken in by the bank in exchange for its bookkeeping entry, **new money is brought into existence.**

Eccles Admits It To the Senate

This four-fold operation is confirmed by no less an authority than Marriner S. Eccles, chairman of the Federal Reserve board of governors. Testifying in the Senate and in the House of Representatives during hearings on the Banking Act of 1935, Mr. Eccles is quoted as having declared:

"In purchasing offerings of government bonds, the banking system as a whole creates new money, or bank deposits. When the banks buy a billion dollars of government bonds as they are offered . . . the banks credit the deposit account of the Treasury with a billion dollars.

"They debit their government bond account a billion dollars, or **they actually create by a bookkeeping entry a billion dollars."**

Mr. Eccles referred, of course, to the Federal Reserve banks. The local banker does not have the resources to cut himself a piece of this juicy pie. He knows that the international banker controls the banking structure of the entire nation through the Federal Reserve Central Bank—and the international banker can, and deliberately does, cause genuine depositors to lose confidence. When the depositors lose confidence and want their money, the local banker's insolvency becomes apparent. Therefore local banks cannot acquire unlimited amounts of interest-bearing loans and investments.

The foregoing explains how the money in this nation comes into being — through the process of banks making loans to individuals, corporations or the government.

Now let us analyze the remaining half of this lurid picture—how money is taken out of circulation, credit contracted and prosperity destroyed.

The most powerful weapon for contracting credit at the disposal of Federal Reserve bankers is the rediscount rate.

Method Used Is Rediscount Rate

As a member bank builds up its deposits (credit money) through loan-making, it must keep fractional amounts of those deposits, called reserves, on the books of the Federal Reserve Bank. If a bank has exhausted its lending reserves, it may sell the note of a business man, or a government bond, either directly to the Federal Reserve Bank or borrow from the Federal Reserve Bank, using the note or the bond as collateral.

If a member bank sells the $10,000 note of John Jones, it will receive from the Federal Reserve Bank the face value of the note, less the interest charged for the unmatured period. The fee charged the member bank by the Federal Reserve Bank for such transactions is known as the **rediscount rate.**

Raising or lowering the rediscount rate vitally affects the amount of money in existence. When it is raised drastically—as in 1920, when it went from 3% to 9%—credit is contracted to such an extent that banks fail, industry droops and depression ensues.

The rate of interest the government must pay to sell its bonds is therefore determined by the level at which the Federal Reserve Bank fixes the rediscount rate. If the rediscount rate is high, as in 1920, the value of government bonds drops correspondingly and the fi-

(Continued on Page 14)

How Federal Reserve Clamped Lid on Credit

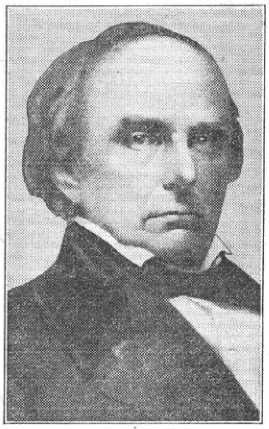
Loans and Discounts Made for Member Banks by Federal Reserve Banks

March 27, 1929	$1,024,000,000
March 25, 1931	165,000,000
June 28, 1933	191,000,000

Loans Made by Member Banks of the Federal Reserve System

March 27, 1929	$24,945,000,000
March 25, 1931	22,840,000,000
June 30, 1933	12,858,000,000

Webster Blamed Panics On Private Money Ring



Daniel Webster

Daniel Webster, famous statesman and great American, would be fighting shoulder to shoulder with Father Coughlin and other honest money crusaders if he were living today.

With the possible exception of Andrew Jackson and Thomas Jefferson, our history can boast of no leader more intractably opposed to the private control of money than Webster. He saw the social injustice of such a monetary system as controls the nation today, and he spoke of it as follows:

"The people wonder why financial panics occur so frequently. I can tell them why. It is to the interest of the bankers and brokers that they should occur. It is one of the specious methods by which these despotic and utterly useless knaves rob the producing, manufacturing and mercantile classes of their honest earnings."

Democracy Skidding On Thin Ice!

The Banyan Tree of Finance

Another Crash May Set Stage For Revolution

Will our democratic form of government survive another shock such as the crash of 1929?

Some well-informed economists tell us it will not, and if we probe history and consider the fate of other nations there is ample support for that contention.

After all, any government is no more secure than the general welfare of the people who live under it. The experience of other nations, plunged into revolution when their peoples rebelled against exploitation and oppression, is a compelling precedent for us to remember.

And what about our national debt, which by President Roosevelt's estimate will exceed $39,000,000,000 by the end of the next fiscal year? Instead of the debt being reduced, it is increasing every year, and the interest collected by the international bank creditors of the government is getting bigger and bigger.

Such a huge debt is not necessary and would not have accumulated if the law-makers in Washington had re-established an honest system of creating and regulating the people's money. International bankers worked for years to establish debt bonds as the basis for banking in every nation of the world. Their success in the United States may be measured by the tremendous sum of usury levied each year on our people.

These usurers, in the person of Federal Reserve bankers, all but did for the nation in 1929. Another such depression, engineered by the same evil interests, may spell the end of democracy. There is yet time to avert a revolution in this country, but impeachment of the Federal Reserve System is the only hope.

Forge Man Is Essential Craftsman

Field for Advancement Almost Unlimited for An Ambitious Young Drop Forge Hand

By Prof. Horace A. Frommelt

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FOR this week's conference on "You and Your Future," I have prepared a blueprint, as it were, of the **Forge Man** who is an essential craftsman in mechanical manufacturing, which we have been considering over recent weeks.

Next week, we will discuss many jobs and positions that are filled by craftsmen who have graduated out of the trade group. I refer to such jobs as inspector, gang boss, set-up man, estimator, and a host of others. Beyond these are the still higher managerial and executive positions.

How you can go from apprentice to mechanic, to these higher positions, we will consider next. Then, on to one of the most promising and rapidly growing of our modern industries—air conditioning.

Prehistoric Man Operated a Forge

In a country blacksmith shop the smith reaches into his fire with a pair of tongs and takes from it a small red-hot bar. He brings it to his anvil and hammers away at it until he has made a small hook or ring which is to be used for repairing a farmer's mower.

In an important automobile manufacturing plant a man stands at a drop hammer, one of many in a row, and turns out many forgings for connecting rods by means of the die on the hammer and the anvil of his machine.

In a great plant where heavy machinery is manufactured, a foreman is directing a crew of men who are operating a gigantic 3,000-ton hydraulic press which is steadily and quietly kneading and squeezing a great, glowing red block of steel until it assumes the shape of a very long, very slender shaft.

All three of these workers are forge men; that is, all are engaged in the trade of forming metal by blows or pressure, usually after the metal has been rendered pliable by being heated. This is at once the oldest and the newest of the so-called metal trades. Since prehistoric times man has known how to form metal by force. On the other hand, the new processes of forging by means of dies are a very recent development and are known as drop forging.

Drop Forging Is A New Process

The dies are pieces of hard steel in which is cut a cavity of the same shape as the piece to be made. The hammer and the anvil, or block upon which the hammer strikes, each carry a die and the steel is forced into shape between them. Because of the expense of making these dies, this operation is not profitable unless a great many pieces of the same shape are required.

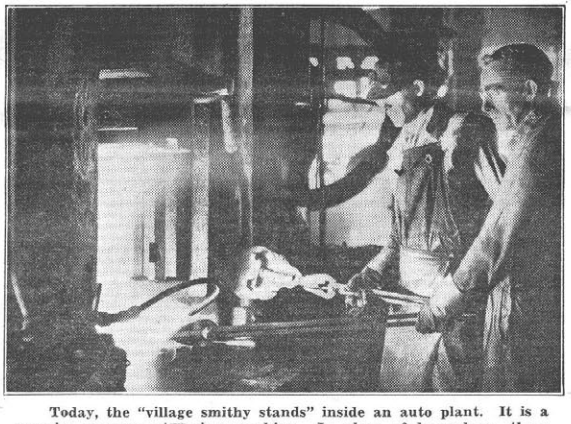
The forge man works under somewhat unfavorable conditions in that the furnaces in which the metal is heated are invariably near to the hammer or the press on which he works and, moreover, the hot pieces of steel on the hammer gives off enough heat to make the operator uncomfortably warm. On the other hand, it is probably true that no other metal trade offers greater opportunity.

Big Field Is Open To Studious Youth

The modern forging processes are in their infancy. There is very much development to be done, not so much, perhaps, in the mechanical division of the work as in the invention of improved processes for heating and annealing the metal before and after the actual forging, and there is no end of work to be done in the study of the effect of forging processes on the physical properties of the metal, which is also a department, however advanced, of the forgers' calling.

To the young man who is seriously and earnestly attempting to work his way into this occupation, we most readily say, "Go on!" He will never be hampered or restricted by a limited field. He should begin a full apprenticeship as forger. Moreover, he should get as good a knowledge of the chemical and especially of the physical properties of metals as possible. A thoroughly trained forge man is always in demand and how far the young man will be promoted through the grades of foreman, assistant superintendent, superintendent, metallurgist and metallographist will depend exclusively upon himself.

High school and even college courses emphasizing studies in physics, chemistry and, if possible, metallurgy and metallography are all desirable for the highest grades of work in this line, although not required of the skilled mechanic. The young man who wishes to advance beyond this grade and cannot attend the regular courses must read and study at home or in part-time or evening schools and he should be encouraged by the knowledge that his own limitations alone will limit his advancement for the field of activity is unlimited.



Today, the "village smithy stands" inside an auto plant. It is a massive pressure stamping machine. In place of horseshoes, these modern "smiths" (drop forge men) direct the stamping die onto heated metal O—results—: an automobile part. (Ewing Galloway photo.)

Youth Can Have Part In Moral Revolution

In our last week's conference I tried to bring home the thought that it is the world and its philosophy that has failed, not Christianity. Our present chaos and confusion at home and abroad, in industry and commerce, among the farmers as well as the industrialists, are due wholly and entirely to a philosophy that was let loose upon society 400 years ago.

As young Christians about to enter this sad and troubled business world, we must be firmly convinced that the only fundamental and basic remedy for the chaos of society is Christianity applied to man's every activity.

It is not "foolish" to consider the right and the wrong of such practical things as wages, hours of work and working conditions.

When industrial America, both employer and employe, associations of industrialists as well as labor organizations, begin acting on the firm conviction that man is a moral being, with a soul and a conscience, responsible to a Creator and when these groups will begin making logical applications of these beliefs — **on that day the most profound revolution in human history will have been let loose upon this scrambled world of ours!**

We must look to you young Christians to prepare the way for this kind of a revolution.

I will be specific in my recommendations. You will be surprised, no doubt, with my first recommendation, namely, that we bring this industrial world, both employer and employe, **to the firm conviction that man is a moral being.**

The world has forgotten, or deliberately closed its mind to man's spiritual nature. According to this prevailing philosophy, man is at best an economic animal that produces and consumes so-called goods and services, food clothing and shelter. It is any wonder that our labor unions are stuck in the mire of wages, hours and working conditions?

How Reds Disrupt Your Labor Unions

(Condensed from the Progressive Miner)

C. I. O.-Communist agitation within your union is a deliberate and well-thought out plot to seize control of the union.

First comes the scout stooge, very noisy about "progressive measures," "rank and file," "industrial unionism," etc. Secondly, another voice giving support to "No." Before you know it, there is a little group inside your union working the same way.

These stooges and fellow conspirators are cleverly instructed through the "Labor Schools" in Russia to capture or destroy organizations that stand in the way of Communist control.

When a few converts are made among the rank and file, these misguided dupes are instructed in the art of doing the dirty work for the stooges.

The purpose of the stooges is threefold:

(1) To win the rank and file of legitimate unions from giving support to their elected officials. This is done by poisonous campaigns of suspicion, blackguardism, and character-assassination.

(2) To capture the union or organization for the C.I.O.-Communist combine and if the union cannot be captured, to destroy it in favor of one that can be controlled by the Communists. **The Maritime Federation of the Pacific Coast is an example of what happens to an organization that dares to defy the decrees of Moscow.**

(3) To drain the union treasury in support of Communist propaganda. This is usually done by high-pressure donations to thinly-disguised publications and such perennial racketeering enterprises as the International Labor Defense, the League Against War and Fascism which has recently changed its name to the League for Peace and Democracy, the International Worker's Order and "relief" for the defense of Spanish "democracy." An investigation into the books of the C.I.O. unions would throw much light on the major rackets that are operated in the name of "Labor."

Vandenberg Aiding Campaign for Profit-Sharing in Industry

Asks Fund for Senate Investigation; Joslyn System Praised in Eastern Survey

The relentless campaign SOCIAL JUSTICE has waged for an equitable sharing of corporation profits among American factory workers is beginning to receive recognition in the high places of government and industry.

Corporations in the east and middle west are making a study of various profit-sharing systems with a view to adopting some such systems in their plants. This news has been followed by an announcement from Washington, D. C., that Senator Arthur Vandenberg has asked that the Senate Finance Committee be voted $50,000 for a "thorough study" of various programs now in effect, looking toward legislation to increase the income of underpaid workers.

A survey undertaken by the Wharton School of Finance at the University of Pennsylvania showed that more than 50 firms now are giving their workers profit-division benefits. Of the systems analyzed, the most workable and popular was found to be that worked out by Marcellus L. Joslyn, of the Joslyn Manufacturing and Supply Co., Chicago. This system, which brought the SOCIAL JUSTICE Laurel Wreath to its founder, conforms fully to the ideal of profit-sharing, the survey report stated.

Attention Manufacturers!

In the last fortnight a great number of manufacturers have written to SOCIAL JUSTICE requesting information on the operation of the Joslyn profit-sharing system, together with suggestions for putting it into effect in their industries.

Those desiring this information will be given immediate attention if they will address their inquiries to Mr. Joseph A. Roeder, Joslyn Mfg. and Supply Co., 20 N. Wacker drive, Chicago, Ill.

Mr. Roeder reports that more than 400 inquiries have been received within the last ten days from manufacturers throughout the middle west. His company has prepared pamphlets, descriptive material and sample forms which set forth all aspects of the system, and may be had on request.

Dubinsky Flays Lewis For Halting Labor Unity

Pupil Lashes Teacher

DAVID DUBINSKY, (left) president of the International Ladies' Garment Workers' union, assails his chief, John L. Lewis, (right) for halting peace conferences between the A. F. of L. and the C. I. O. "Labor is not one man's property," Dubinsky declared, inferring that Lewis aspired to a labor dictatorship. Lewis' reply was that Dubinsky must make up his mind either to obey directions or leave the C. I. O.

Garment Workers' Leader Turns Against Chief; Scores Reds, Demands Union Peace

NEW YORK, N. Y.—John L. Lewis' dictatorial leadership of the Committee for Industrial Organization may be repudiated by his own rank-and-file membership unless he settles the C. I. O.'s dispute with the American Federation of Labor.

Testimony that the membership of both unions is anxious for peace was given recently when David Dubinsky, president of the C. I. O.'s third largest unit, the 250,000-member Ladies' Garment Workers' union, lashed out at Lewis for blocking the way to amity.

His remarks were seconded by high officials of the A. F. of L., who asserted that Lewis' greed for power and influence was responsible for dissolution of peace conferences between the rival unions.

Lewis' Reply Is a Warning

Dubinsky, scoring Lewis' personal control and domination of the C. I. O., declared that "the labor movement is not the property of one individual or group," and that no one individual has "a mortgage" on it. Dubinsky, who sat in as a delegate to the A. F. of L.-C. I. O. peace conferences, said that continued, inter-union strife would rob labor of its greatest opportunity for organizational solidification.

Lewis, answering Dubinsky, ignored the main accusation and contented himself with warning his lieutenant that he must decide whether he wished to continue with the C. I. O. or return to the A. F. of L.

Mr. Dubinsky indicated that he would continue his fight for unity in labor's name.

Dubinsky Warns of Reds in C.I.O.

Matthew Woll, international vice president of the A. F. of L., prophesied that "death and bloodshed," will follow continued inter-union strife. "The situation today," he warned, "is so serious and dangerous it will eventually lead to a final clash, dog fight dog. Lives will be lost and limbs will be maimed. Let us hope and pray that sanity enters the minds of the executives of the C. I. O. and that we finally unite under one banner so that peace may be restored."

Mr. Dubinsky took occasion to denounce also the Communist element which is sapping the C. I. O.'s respectability and responsibility. "It would seem," he said, "as if the Daily Worker (Communist organ) had become the mouthpiece of the C. I. O."

Crop Control Brings Revolt In Nebraska

OMAHA, NEB. — The tragedy of drouth, plus a complete disgust with governmental regimentation has stirred a revolt against proposed administrative crop-control in Nebraska.

Farmers of the area have organized a campaign to make public their distaste for "farm relief," as outlined by the New Deal, and have pleaded for a chance to develop their resources, stricken through years of dryness.

The revolt, which has threatened to spread throughout this state, is entirely non-political in character. Chairman of the "revolt" meeting which touched off the campaign was Carl Tefft, a Republican. Marvin Carr, a Democrat, was secretary. Cass county, birthplace of the revolt, is a strong Farm Bureau county, and the Farm Bureau Federation is upholding the proposed crop control measure advanced by Secretary of Agriculture Wallace and seconded by loyal New Dealers.

One farmer wrote to the editor of his local newspaper, setting forth his grievances. "Why not stop a while now and let us rest a little," he said. "About all we hear is 'help the farmer.' Well they have just about helped us out of everything."

An Omaha newspaper conducted a poll to determine farmer sentiment on crop control. **The result showed 635 opposed to compulsion and only 25 favoring it.** A farmer writing to a Lincoln paper said only two of 50 farmers in his neighborhood favored compulsory control. All are agreed that **drouth has robbed the farmer of a normal crop for so long, that crop restriction at this time can breed nothing but hate among the state's producers.**

Immediate necessity of farmers in Nebraska and southwestern Iowa is to produce crops and livestock in such numbers that they may make up for ground lost in the lean years, editors say. Thus those deriving their living from the land have little time to think of crop-control theories which would come to bear in years of super-surplus when their prices might be deflated.

. . . *One Man's Family* . . .

Victim of "Recession," Pens Story of Hopelessness; Sees Dismal Future

A Profit-sharing System Would Have Prevented This Misery by Providing for Old Age

I am 60 years old. My wife is the same age. There are only the two of us, thank Heaven. We live on faith, hope and charity—that is all we have left to live on.

Our home is a small bungalow set on three-quarters of an acre of land just outside a middle-sized eastern city. We bought it on contract seven years ago when we were sure that things would be better; when we were certain they couldn't get any worse. But this happy home, with all its memories, our investment and hopes, won't be ours much longer. The tax collectors will claim it before long—if the bankers don't beat them to it.

I am one of the hundreds of thousands "too old to work." My wife is my age, but she isn't "too old." The laundry has a job for her, a back-breaking job in a hot, steam-filled pressing room. Her wages average about $11 a week. **Don't laugh at that salary figure — it's almost enough to pay the taxes!**

But I am "too old." I used to work in a railroad roundhouse. I'm still healthy, fairly strong, and awfully anxious to work. But I'm "too old." There ought to be some relief for us who belong to the "too old" class. Maybe the New Deal could arrange to plow us under, or put on additional tax on our working wives' salaries and make federal provision for us. There ought to be some way . . .

For the first part of last year I had work. I brought my paycheck home every week. It wasn't much, but it brought income up at least to outgo. I was proud to be working. I was proud of my home. It hurt me that my wife had to go to work, too. I wanted more than anything else to support her comfortably. But I couldn't. My wages weren't enough. We had to struggle . . .

My wife used to get $14.70 a week. But the N. R. A. code set up an hourly rate to "adjust wages," cut my wife's hours and her income dropped to $11 a week.

We had a "good" year last year. Income just about covered expenses. But we still have that deficit from the dark years of 1932-34. And the long, dismal years just ahead. We'll lose our pride too. And our last resources—faith, hope and charity—will be sorely tried.

If ever this country needed Social Justice, that time is now!

Labor Headlines

NEW HAVEN, MICH. — Pickets fight deputy sheriffs at strikebound New Haven foundry. . . . U.A.W. members, manning picket line, hurt in clash with 50 special police. . . . Deputies say auto union men hurled scrap iron and stones at officers. . . . Stores close as strife continues. . . . Strike called by union, charging violation of seniority agreement.

BOSTON MASS.—Economist asserts President Roosevelt is "communizing United States." . . . Merwin K. Hart, president of New York State Economic council charges that Mr. Roosevelt "finds association of radicals particularly pleasing," and, "displays veritable hatred of private enterprise."

WASHINGTON, D. C. — Figures showing drastic increase in relief load during December laid before Senate unemployment committee. . . Show cities of more than 100,000 population hardest hit. . . . Increases range from 15 per cent upwards to 71.1 per cent in Gary, Ind.

DUQUESNE, PA. — C.I.O. mayor puts city on "C.I.O. basis." . . . Orders 40 hour, five day week for all employes of city government. . . . Cuts police, firemen's pay but reduces hours. . . . Will cut out traffic lights and merge jobs to reduce taxes he says.

WASHINGTON, D. C. — American Federation of Labor membership shows gain during recession. . . . Secretary says Jan. 1 membership was 3,468,885 compared with 3,441,340 on Nov. 19. . . . "Federation has more than overcome membership loss suffered in bolt of C. I. O.," says secretary.

The People Speak . . . .

Talk About 'Money' and Leave the Rest Alone

To the Editor:

I would be glad to contribute toward Father Coughlin's broadcasting expenses, but I am not in favor of his attitude toward the C.I.O. He urged the workingmen to organize and now condemns the manner in which they did it. I get the impression that with any other man than John L. Lewis at its head, the C.I.O. would be all right.

What connection is there between the C.I.O. and social justice that SOCIAL JUSTICE should give it so much of its time and space?

Let Father Coughlin stick to the money question and fundamental problems to be solved before social justice can be established.

—E. F. Shipman.

New York, N. Y.

Social Injustice Taken for Granted

To the Editor:

Some day we will have social justice accepted as a "standard of living." It will come gradually, after relentless struggles of agencies (of which this paper is the first) for years to come.

Social injustice is the rule today. It is not recognized as injustice. We are used to it and take it for granted.

I am a Spanish-American War Veteran. When I enlisted, Uncle Sam promised to ship me back home at the expiration of my enlistment, by paying me one day's pay and allowances for every 20 miles I was away from the point of my enlistment.

At the time of my discharge my pay was $30 a month. This was in Luzon, Philippine Islands. Roughly the distance from Manila to San Francisco is about 6,000 miles. This "transportation" would have come to a tidy little sum with which to start civil life over again. Did I get it? I did not. They shipped me to San Francisco in a boat loaded with coffins, containing the bodies of hundreds of dead comrades. I had no kick coming, I was willing for Uncle Sam to save on expenses.

What puzzles me, however, is the fact that the same body of men who decided that it was too expensive to send me home as agreed, by some mental process think that it is all right to allow a Congressman from California more than $1,000 for transportation to Washington. So what?

—Frederic Binckli.

North Kansas City, Mo.

His Counsellor Is Gone

To the Editor:

In a late issue of SOCIAL JUSTICE there appears a picture of the elder La Follette with his son, Senator Bob. It is headed "Young Bob La Follette No Chip Off the Old Block." Why? Because his counsellor is gone. That was the title given by his father to his mother some years ago. The decline in the respect and honor given the senator and governor since her death seems to prove that they need some guide now.

The father often intimated that it was through her reasoning and ideas that he as well as the boys were honored.

—Mrs. William Behrend.

Kennan, Wis.

Living Wage Aid To Family Life

To the Editor:

A great deal is said in the Catholic press about the preservation and restoration of Christian family life. The greatest help in achieving this, would be the attainment of Principle 2 of Social Justice: a just living annual wage for all who are willing and able to work.

In the all too common home of today, the wife goes out to her daily work in the office or factory and the children, if there are any, are left either in the care of some other person or to play in the streets until the parents return.

After the evening meal the wife busies herself with washing, ironing, mending and a dozen other details; she has little or no time for her children or husband, who feels cheap because his wife is compelled to work, and disgusted because this is not the kind of a family life he planned when they were married. About the only prayer that is said when the mother falls into bed at night is "O Lord, I am tired."

Many contend that a priest's duty is strictly spiritual, but if trying to attain a just living annual wage for the working man is not spiritual then I give up.

Why should not we wives and mothers, who have not the time to attend meetings and work for social justice otherwise, form a subscription-a-month club; just sell or give to some acquaintance at least one six months' subscription each month.

I have entered both your contests and would certainly consider it an honor to be well enough versed on social justice to win a prize. Both have been a source of education and enjoyment to me and I hope you will see fit to sponsor another contest in the future.

—A. M. H.

St. Louis, Mo.

Eccles Now Admits What Paper Always Said

To the Editor:

From his testimony before a Senate committee investigating relief and unemployment, Marriner Eccles, chairman of the Federal Reserve system, does not go along with the administration in blaming business for the new depression. He also absolves the banks, as is to be expected, insisting that the slump is due to non-monetary factors.

Of these contributing factors (six in number) the first, "drastic increases in the price of materials and labor costs in the spring of 1937, due to the inflationary effects of the government spending policy, the payment of the two billion dollar soldiers' bonus, and monopolistic labor practices," is the most important. How the bankers do love to take a slam at the soldiers' bonus!

But the most enlightening paragraph in the whole testimony is the following comment made by Eccles in disapproving tax exemptions for earnings used for the payment of debts:

"It may be good for one individual or one corporation to get out of debt, but the principle of the rainy day reserve is not a good thing for our whole economy. **The whole process of debt settlement is deflationary. All of our expansion results from debt.**"

There you have it, exactly what Father Coughlin has been contending all the time. But how do the bankers justify a monetary system founded on debt, a monetary system which is thrown out of balance by the payment of debts?

I read SOCIAL JUSTICE regularly and depend upon it for so much information that I cannot get anywhere else. I look forward eagerly to the return of Father Coughlin to the air each Sunday.

—W. S. C.

Chicago, Ill.

Let Jackson Give the Advice

To the Editor:

Having listened to the president's Jackson Day address, I understand that anyone is welcome to give his assistance or suggestions. My suggestion is one copied from Andrew Jackson.

Andrew Jackson said the following words to the money-changers who approached him in the drawing room of the White House:

"Gentlemen, I have had men watching you for a long time and I am convinced that you have used the funds of the banks to speculate in the breadstuffs of the country. When you won, you divided the profits amongst you and when you lost, you charged it to the bank. You tell me that if I take the deposits from the bank and annul its charter, I shall ruin ten thousand families. That may be true, gentlemen, but that is your sin. Should I let you go on, you will ruin fifty thousand families and that would be my sin. **You are a den of vipers and thieves. I have determined to rout you out and by the eternal God I will rout you out.**"

Mr. President, the next time the banker boys come to you to get their charter renewed, tell them this for our people's sake and in memory of good old Andrew Jackson.

—William Beal.

Chicago, Ill.

Slogan For 'Greater Humanity'

To the Editor:

With the return of Father Coughlin to the air waves of America, and starting fresh upon the New Year, we here in Garfield Heights, Ohio, feel that the time is opportune for a brand new slogan. It will be unique in that the first letter in each word of the sentence will spell out the name C O U G H L I N. The suggested slogan will read **"Carry On Until Greater Humanity Loves Its Neighbor."**

It is our hope that every council in America will take up this cry and ask themselves the question, why don't we start?

We hope that Father Coughlin's return to the air will make people more eager than ever before to go out and do bigger and better things for that great crusader, who against overwhelming odds is trying to do so much for the oppressed people of America.

If our council here can play any part in bringing about that illustrious day when **Greater Humanity Will Love Its Neighbor,** it is our happy privilege to carry on and buoyed up with that exalted hope that justice must prevail, to pledge support to our peerless leader.

—Thomas Voaden.

Garfield Heights, Ohio.

Let's Have Another Contest

I would like to suggest that you start another contest in your weekly paper SOCIAL JUSTICE, the same as the "Know America" contest which closed on December 18, only that you make this contest 100 questions instead of 50, and that you enter four questions weekly in SOCIAL JUSTICE instead of two. You might set the goal of new subscribers for this contest at a half million, which would be in by about the middle of summer.

I really think this can be done. I myself in the last contest, sent in eight sets of answers and that was eight new subscribers for SOCIAL JUSTICE, and I never got more pleasure out of anything than I did in working this contest.

Of course I have always been a strong supporter of SOCIAL JUSTICE, but don't you think that running these contests gives the followers something to shoot at, and also teaches them social justice? I hope that you will run another contest on the same basis as the last—all questions pertaining to the sixteen principles of social justice.

—Ray J. Noble.

Youngstown, Ohio.

Paper Again Being Sold

To the Editor:

We are happy to inform you that our paper SOCIAL JUSTICE has been placed on sale again in St. Joseph's College of Social Sciences in Philadelphia.

We have enclosed a copy of our school paper "Loyalty and Service," in which you will appreciate a friendly article pertaining to Father Coughlin written by the Regent, Father Roth, S. J.

Raymond E. Denney.
Joseph Ford.
Walter Carey.

Philadelphia, Pa.

What About the Ludlow Bill?

To the Editor:

Does SOCIAL JUSTICE approve of the Ludlow amendment?

I am very much surprised and disappointed that SOCIAL JUSTICE has not come out more strongly for this particular bill. I had hoped that Father Coughlin would make it one of the subjects of his first broadcast in view of the fact that it is about to come up before Congress.

Because of the fact that we invariably have more politicians in Congress than we do statesmen, I think it of the utmost importance that the people decide this momentous question for, after all, they pay the bill in suffering and sacrifice.

—Alice Priest.

Philadelphia, Pa.

Editor's Note: In the September 27 issue, SOCIAL JUSTICE devoted two pages to a discussion of the Ludlow amendment as a means of keeping us out of war. Principle 15 of Social Justice states: **"I believe that in the event of war for the defense of our nation and its liberties, there shall be conscription of wealth as well as a conscription of men."** This clarifies the stand of SOCIAL JUSTICE on war—the only war we recognize is one of defense.

A popular vote on war would be in direct contradiction to our present commitment as a signatory of the Kellogg Briand Pact (outlawing war as a means of settling disputes between nations) to wage no war except one of defense. How, then, can a decision that has already been made and agreed to, be submitted as a question to be decided upon by a vote of the people?

With the aims of the Ludlow amendment—to prevent war—all will agree.

Bonus Worker Urges Support of Radio Priest

To the Editor:

As the originator and national manager of the Soldiers' Bonus campaign, I have lobbied Congress for the past 20 years, and can truthfully say that Father Coughlin has done more to interest the people in clean government and social justice than any man in the last twenty years.

There is a great need for SOCIAL JUSTICE newspaper, as the regular newspapers throughout the country have to print (or think they do) the kind of news (junk) that the big advertisers want printed. They also fight the Congressmen and Senators that are on the level.

I have noticed numbers of newspapers putting out unfavorable articles on Father Coughlin's fight for social justice and money reform and have also seen these same newspapers defeat many a Congressman just because he was on the level voting for the people, and not taking orders from the favored few.

During the campaign for the soldiers' adjustment compensation I sent out around a million telegrams, letters and news stories, and like Father Coughlin, I have felt the sting of selfish interests that are willing to crucify anyone on the altar of public opinion, or damage them financially by having their loans called if they dare to preach the truth about public questions. I had to pay $30,000 in bonuses to refinance several of my companies during the bonus fight.

Everyone should take SOCIAL JUSTICE and help pay their share towards the fight, and especially every veteran as Father Coughlin was one of our greatest helps in putting over the bonus.

The masses should stand by a crusader for the right, and not leave him to carry the whole load, as they so often do. Had it not been for Father Coughlin and other great leaders coming in and helping with the bonus fight, we would have had to give up before winning because the finances were so low, and the pressure against us was heavy.

—W. B. Shafer, Jr.

Norfolk, Va.

Why Not Take Sides With Those Who Are Right?

To the Editor:

Commenting on your editorial, "The United States Joins Up," wherein we are being lined up with the so-called American, British, French, Russian front, I suggest that SOCIAL JUSTICE give us more information from time to time, as to just what this "front" means.

To start with, the nations of the world are lining up into two camps —Communism (financed by internationalists who have gained power through the gold standard hoax, beginning with the Bank of England) versus anti-Communism or the Fascists.

The so-called Fascist nations have complied with two of the main points of the social justice program: they are opposed to Communism (the most vicious form of modern capitalism) and they are adopting an honest money system—junking the gold standard swindle — hence the various boycotts against these nations by the nations that have plenty of natural resources.

The "front" to which we are supposed to belong, according to the money power controlled administration, the radio, and the press, is made up of Communists and near-Communist nations. Russia, of course we all know about. France has been owned and controlled by this power since it was de-Christianized and taken over during the Reign of Terror which was brought about for this purpose.

While the British Empire and the U. S. A. are owned and controlled by these internationalists who own the money-issuing right, and finance Communism, these nations must proceed slowly in aiding Communism for the simple reason that they retain their power largely through keeping the people in ignorance. By the people, I mean the intelligent group, such as college professors, economists, preachers, business men, politicians, etc.

This world line-up is now about evenly divided but the anti-Communist nations are gaining strength by virtue of their honest money system that does away with unemployment. They have the right side and the people know it and co-operate. Recently they have added Brazil and Roumania to their side. They will no doubt win China and Spain after the wars now being fought. The Communist nations are getting weaker because of their crooked debt-producing money system that makes unemployment. The Gold shirts are making headway against them in Mexico, which as we know, was at one time completely Communist.

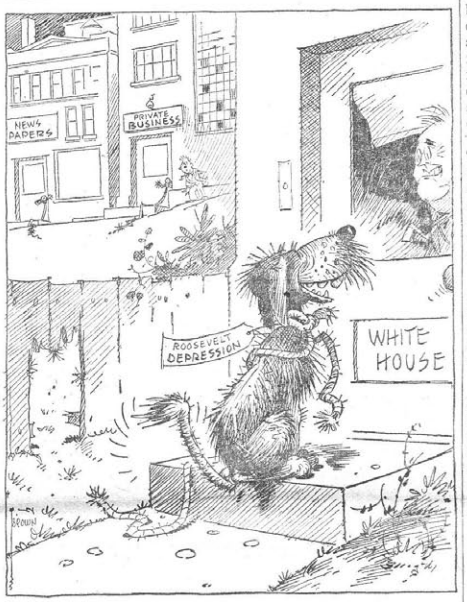
Since SOCIAL JUSTICE cannot remain neutral in this the battle of ages, why not take sides now against the anti-Christ, and explain to the people what it means for us to join up with these Atheistic Communistic Anti-Christian nations. We will be taking the losing side—the wrong side. For the truth will out.

Now is the time to inform the people so that we may not be hoodwinked into another world war, in which the House of Rothschild is reputed to have made 100 billions of dollars and liquidated 70 million Christians.

—C. K. Howe.

East Radford, Va.

A One-Man Dog



—Brown in the New York Herald Tribune

Are We, Or Are We?

To the Editor:

We are not in the midst of depression, panic, recession or repression. It is only our "imagination" and "lack of confidence".

It couldn't be lack of purchasing power?

Haven't we driven the money changers from the temple? Aren't we living the abundant life? Aren't we discharging the national debt through the medium of increased national and individual income?

Aren't we discharging our obligations by denouncing "big business" (the Alibi Ikes) and "trying" to keep the nation out of war by protecting the "peanut stands" of "big business" in China?

Did we not plan all this and have we not been referred to as a "martyr"?

Some people are never satisfied

—Thomas Brennan, Jr.

Rochester, N. Y.

Wants Congress To Discuss Vote

To the Editor:

What sort of a democracy is this in which we live? The Ludlow amendment asking for a people's referendum on war, was brought to the House floor in the first place, only because public demand forced the 218 signatures necessary.

Then, regardless of public demand, this amendment was bottled up and sent to committee almost the very minute it reached the floor —no discussion allowed. Why? The only reason—and everybody knows it—is that our representatives were afraid of the people.

I hold no brief for the Ludlow amendment, but I believe that Congress should have discussed it, if for no other reason than that a discussion would bring out the weak points and disadvantages of the act which public demand brought to the floor on January 10.

To me it always seems suspicious when a "representative" votes against a discussion of something that his people want.

—Charles Evans.

Chicago, Ill.

Property Is One True Safeguard Against Despair

To the Editor:

The surest way to make everybody poor is to confiscate via taxation, what the industrious and the frugal have managed to save.

Property is the fruit of labor. Property is desirable; is a positive good in the world. What puts any country in the fore ranks and makes for permanent prosperity is satisfied resident home owners, and resident farm owners.

Destroy property, and prosperity will be forever destroyed. The America we have known and cherished will be destroyed. Millions and millions of resident homes and farms, during the past seven years, have been shifted into tax money. This would indicate expensive government, or that the administration of public affairs has been mismanaged, or possibly this country is just deteriorating and going down in decay.

Property owners should be organized. America has no worth-while association of that most comprehensive and important class of all —property owners.

Never before was there such need for property owners to band together in defense of their constitutional rights. No country in the world has a more bewildering multiplicity of taxes than America. And the search for still additional ones goes on more earnestly than the search for economies to permit fewer taxes.

Higher and more taxes does not necessarily mean more money. The real way for the government to get more money is to manufacture it.

According to figures, there are between 60 and 65 billion dollars invested in non-taxable securities and the United States debt as a whole, stands at 252 billions of dollars.

To confiscate homes and farms for tax money is reversing the gears, going backwards instead of forward. One half of this non-taxable money, invested in job-making investments, would absorb all of the unemployed of this nation.

The home owners are the salt of the earth. They should be protected. It might be a step forward to investigate Canada's taxing system.

—L. L. Wickter.

Sylvania, Ohio.

Desperate, Small Home Owners Ask Help

To the Editor:

We own an unpretentious home, the original cost being $3,000. The taxes were too high to meet each year as they became due. After they accumulated we had to borrow from loan institutions at 36 per cent a year interest to pay them.

From 1913 when the house was built, until the present moment, we have done nothing but borrow to keep the roof over our heads. The Building and Loan, in whose hands we first had the property, transferred it over to a mortgage company. Renewals, fines, fees, and interest charges have increased the mortgage to $5,900. We are now in the H.O.L.C. Their agent called and made arrangements for us to pay $15 each month which was agreeable to them. We have never once defaulted on this payment since such agreement was made.

My husband earns a salary of $56 a month. Now they want us to pay $50 a month, and three weeks before Christmas threatened to foreclose unless this sum is forthcoming.

How can we meet such demands? The government is so wealthy. It does not need our home. It can appropriate $570,000,000 for new battleships to kill people, but it cannot help a struggling family **to retain a home they have paid for many times over in taxes and interest.**

Andrew Mellon owed the United States Treasury $3-million, but no foreclosure proceedings threatened him. All we ask is to have the H.O.L.C. accept what we can pay and keep on with this procedure until we can meet our obligations the way they should be met.

Surely some consideration should be given the man who pays something in preference to the European countries who owe $11-billion and pay nothing. An editorial in a recent newspaper carried an item to the effect that "Europeans would not respect us" if we permitted a certain war-crazed country to continue its treacherous practices without resentment in the form of protests encased in shells or bullets.

Do we need the "respect" of countries that do not meet their own moral and financial obligations? The laborer who pays his debts with money culled from sacrificing many of life's necessities, is the one who should command the respect.

Instead, not only does he have to worry about foreclosure, but he will probably have the tag of a deficiency judgment added to his worries. It is bad enough to lose your home after you have spent 24 years trying to make it livable, without having further claims levied against you. For the first time in 14 years, our few rooms have been freshly painted, and if they take the house, someone else will enjoy the result of years of patient waiting for this urgently wished for and much needed renovation.

We are not young; have only a few more years of life's allotted span, **and there are so many others just like us, that we ask you to please give this matter your urgent attention,** as the situation is desperate for thousands of small home owners.

—M. B. S.

Staten Island, N. Y.

Knows Whereof He Speaks

To the Editor:

Due to a serious accident last September, my reading of SOCIAL JUSTICE for the last three months was postponed until the present time. In reading over these back numbers (I don't like to miss a word) I was especially interested in the article by Robert H. Hemphill in the September 20 issue.

All articles in SOCIAL JUSTICE are exceedingly interesting and revealing but the story I refer to is outstanding. In it Mr. Hemphill in a clear and concise manner, and in such an easily understood way, tells us briefly how a bank operates. Anyone reading and digesting this article is justified in rebelling against a president and a Congress who sit idly by, twiddling their thumbs, while money racketeers shove us even deeper into the mire of despair.

I am pleased at the continuous improvement in our paper SOCIAL JUSTICE.

Please give us some more Hemphill articles as that gentleman has been in the den of thieves and knows whereof he speaks.

—Joseph H. Ebenhoch.

Akron, Ohio.

Need Is General Love of Truth

To the Editor:

At every turn we meet men and women who are willing to sell their labor, and are not asking for big money, but just enough to get along, hoping that soon this depression will end.

It would seem to most of us that a few men worthy or unworthy as they may seem, are dictating to those who employ workers in great or small numbers just how they can operate their business with a profit only to the big money man.

I wonder if these same money men realize where the end is. Can they give any definite measure as to the outcome of the depression we now live with? What America needs most of all, is men and women who hate lies and love the things that can be tested to be the truth.

—F. X. Emery.

Somerville, Mass.

U. S. Must Regulate The Nation's Money

(Continued from Page 1)

forced to limp along, permits one privately owned organization to issue and regulate 95 per cent of all the money in the nation.

On March 27, 1929, while the loans of the Federal Reserve member banks totaled $24,945,000,000, their securities, bills and discounts totaled $1,-402,000,000 — **twenty - three times less than the loans.**

On March 4, 1935, these loans totaled $11,953,000,000 with securities, bills and discounts totaling $2,443,000,000 — **five times less than the loans.**

"On March 31, 1937, these loans totaled $13,699,000,000 with securities, bills and discounts totaling $2,445,000,000 — **six times less than the loans.**

"Thus, prior to the depression, almost $25-billion of credit money existed in actual use in the nation directly loaned by the Federal Reserve Bank and its affiliates.

"Contemporaneous with the depression that amount was suddenly cut in half!

"The above official figures support two statements that, first, money is withdrawn from circulation by the Federal Reserve System and, secondly, that this system makes loans far in excess of its actual, tangible assets.

"From unregulated money, be it too little or too much, we have suffered outrageously and needlessly — outrageously when we view the wreckage which surrounds us; needlessly when we remember that Congress has the power to rectify the conditions—a power that was not exercised in our generation; a power which was delegated to a small group of men who own and control the Federal Reserve Banking system—control it so that in one year $24-billion of credit was created and issued into the stream of commerce and industry and five years later was withdrawn by these private regulators to the extent of more than 50 per cent, thereby leaving the ship of state and the citizens, whose fortunes were cabined within it, languishing upon the destructive rocks of depression.

"Here, then, is the **greatest monopoly in the existence of our civilization — the money monopoly.** Here is **an immediate crisis which demands the immediate co-operation of Congress with all its citizens."**

Price Levels Fall or Rise With Dollar

(Continued from Page 1)

selling for nearly $2 a bushel. This meant that Mr. Farmer was obligated to raise 5,000 bushels to liquidate a $10,000 debt still owing.

When the price of wheat fell to 50 cents a bushel at the close of the following year, **the farmer was compelled to raise four times the number of bushels of wheat to meet his obligations.** Incidentally, **the price of his $12,000 farm was reduced to five or six thousand dollars.**

What caused the artificial fluctuation of prices independent of the law of supply and demand?

When the farmer, the homeowner or manufacturer is unable to bear the financial burden of doubling or tripling his production of wheat, his hours of labor, or his factory product, legal seizure of his property follows. This is because the lowering of prices which results from the scarcity of money makes it more difficult for a borrower to acquire sufficient money to pay his debts.

EYES *and* EARS

(Continued from Page 4)

serves the reward of the traitor. Surely our correspondent can hold no brief for the average American politician.

* * *

What seems to disturb our correspondent most is clearly and forcefully set forth in one paragraph:

> **"There can be no prosperity until the frozen watered-stocks of utilities, railroads and monopolies are wrung out. Seven billions of utilities, and twelve billions of railroad securities and many billions more of the monopolies must be washed away before the Ship of State can sail on even keel."**

On this point we are in hearty agreement with our correspondent — and because we agree with him we find in his statement the foundation of our severest indictment of the politicians, particularly the politician who now occupies the White House.

Watered stock is the bad fruit of the bad tree of investment banking — even the "holding companies" and the so-called monopolistic industries as well as the railroads, are merely the puppets of the great investment bankers.

Through the protected device of the interlocking directorate the investment bankers are allied with one another and control the only genuine monopoly in the country—the Federal Reserve Banking System, the organization which has a complete monopoly over the nations' money, "the life-blood of production." (One great investment banker controls, through interlocking directorates, more than 2,000 American industries, banks, railroads and utilities).

Mr. Roosevelt has not attacked the super-holding companies of the nation, the investment bankers—nor did Hoover, Coolidge, Wilson, nor even the great Theodore Roosevelt, himself.

Mr. Roosevelt has not condemned the only true monopoly in the country—the Federal Reserve system.

In the light of these omissions of today's dominant politician, how can we have anything but contempt for the guardians of the public weal, who consistently, regardless of party principle or public vicissitude, protect and nurture the fountain head of public exploitation?

To put the whole spiral of inter-related causes of "all our troubles" in a simple formula:

Big business is responsible to government (politicians); government (politicians) is responsible to the people.

Because the ultimate responsibility for everything is with the people themselves, the wise man will seek the final solution to "all our troubles" there — among the people.

* * *

In conclusion, therefore, we must violently disagree with our correspondent when he says:

> **"The politicians are not interfering with business except to prevent them from issuing more "phoney" stocks and bonds, having no value behind them. That is simply all that the government interferes in business."**

We would remind our correspondent that Henry Ford never issued a penny's worth of phoney stock and that he has done more than any other single industralist to raise the standard of living for American labor.

But the politicians are interfering with his business. And they are not interfering with the "super-holding companies," the investment bankers. And they are not interfering with the one and only true monopoly in America—the Federal Reserve system.

A tree is known by its fruit, but a politician is known by the interests in whose business he refuses to "interfere."

Student Union Tool of Reds

(Continued from Page 5)

IN other words, the strategy board which controls the American Students Union is a dictatorship—the worst form of dictatorship because it is Moscowized. It is time for American students to withdraw from the American Students Union. It is not American. Its attitude towards international politics and the question of national defense is Communistic.

The recent convention at Vassar College adopted a boycott against Japan despite the fact that Communistic Russia has already taken over one million square miles of Outer Mongolia from China. At this moment, according to Boake Carter, the Soviets possesses, illegally, 350,-000 square miles more of Chinese territory than Japan has taken in all her wars with China.

If Japan is to be boycotted for going into China, then the Soviet Union should have been boycotted by the Students Union for going into China, for stealing Outer Mongolia, and for remaining in China. If Fascism is to be condemned by the Students Union, then Communism, the worst form of dictatorship and the worst enemy of American democracy, should likewise have been condemned.

But, this could not be. Professor Lash would not have it so. The Communistic strategists would not have it so. The Reds must not be condemned either in China, in Spain, in Russia, or even in the United States. Professor Lash would not like it and of course the American students must be forced to obey. That is why the Students Union is neither American nor academic. Nothing is to be studied. Textbook material out of Moscow and the Communist International must be swallowed at one gulp.

The personnel and the philosophy of the leadership exercised in any cause should be minutely and sincerely investigated by the prospective membership of that cause. The leadership of the American Students Union is Communistic. It is also insincere and hypocritical. Its fulcrum is Moscow and not the United States. Therefore American students should have nothing to do with it. For Communistic leadership to force American students to reverse themselves from peace to war within the space of two years is not surprising. That is what happens when Moscow snaps the whip.

American students should resign from the American Students Union in a body. Professor Lash should be exported as a permanently exchanged instructor to Moscow. Incidentally, Moscow does not have to return the gift of an exchange professor. We have already too many of them in our midst.

Nye Asks Light on War Moves

A resolution which Senator Gerald Nye of North Dakota is preparing to introduce in the Senate will demand that the State Department stop its secret maneuvering and inform the country of the reasons behind widespread agitation for a stronger naval defense.

If the Nye resolution is adopted and revelations show the need of an embargo on war implements now being exported to Japan, the administration may be forced to abandon its evident plan to couple preparedness with politics.

Besides the scrap iron Japan receives from the United States (mentioned in another article on page 16), she also was shipped 890,000 bales of our cotton in 1937. Coton is an important raw material in the manufacture of munitions. When this quantity of cotton is bought by economical Japan at the high prices prevailing during the year, her need for it must be great.

Curb on Credit Panic Breeder

(Continued from Page 8)

nancial reserves of member banks depreciate.

When reserves depreciate, the amount of outstanding loans must be cut. Hence, the rediscount rate forces member banks and the local banks beholden to them to call loans and cancel money out of existence.

Another device used to contract credit and cancel money out of existence is the Open Market Operation, under which banks are forced to buy outstanding issues of government bonds. To do this the member banks must use part of the reserves they have on the books of the Federal Reserve Bank. As reserves are cut down, loans must be called.

Since the calling of loans means the cancellation of money out of existence, the invariable result is distorted price levels, unemployment, foreclosures and further concentration of wealth in the hands of a few bankers.

This happened in 1929 and will happen again in this nation if we continue to permit a few unscrupulous bankers to create money and regulate credit instead of re-delegating those powers to the people's congress.

Mr. Eccles' Smoke Screen

Chairman of Federal Reserve Gives Senate Inquiry His Six Reasons For the Roosevelt Depression

WASHINGTON, D. C.—Mr. Marriner S. Eccles, chairman of the Board of Governors of the Federal Reserve System, testified reluctantly before the Senate committee investigating relief and unemployment. The recession, he stated, was due to non-monetary factors.

As a subtle smoke screen, he listed six factors, each contributing to the other as causes for the sharpest recession on record. These were:

1. Drastic increases in the price of materials and labor costs in the spring of 1937 due to the inflationary effects of the government's spending policy, the payment of the $2-billion soldiers' bonus, and monopolistic labor practices.

Who inaugurated the inflationary policy last spring? Was it not the Federal Reserve Board under Eccles leadership? It was the interest drain on the government's spending policy to pay for the use of money that was the real cause.

2. A 35 percent increase in inventories because of fear that strikes would interfere with production and force prices to go still higher.

When the C. I. O. was running wild last spring, who begrudged the laborer a living, annual wage? Not the industrialists, as Mr. Eccles tries to make a gullible public believe, but the banker-controlled puppets who sit on the boards of directors of our big industries and dictate the policy of starvation wages and production schedules based on the profit motive. These short-sighted banker-mouthpieces do not see that the masses must have purchasing power before any production can be had in any quantity.

3. A falling off of construction because of the high cost of both materials and labor.

Who put the high prices on materials?—not labor! It was the banking fraternity who control prices by their power over the ratio of the money supply to national income or national production.

4. A change in the fiscal outlook, with a further reduction in purchasing power when the government sought to curtail expenditures.

It was the banker-fostered cry to "balance the budget" when they knew it could not be balanced. Mr. Eccles in stressing the power of Congress to tax, forgets and soft-pedals the fact that the same Congress has the power to coin and regulate the value of our money. Mr. Eccles is all for curtailing relief expenditures and necessary public improvements, but never says anything about the 2-billion a year toll in interest payable because bankers control the nation's money system.

5. Inability of the railroads to purchase needed replacement facilities because of higher material costs and increased wages.

That statement does not coincide with the bald facts brought out in a Senate Investigation of the Railroad Finance Committee. In 1918, Henry Ford bought the Detroit, Toledo and Ironton Railroad. He saw the superiority of light railroad equipment—stream-line aluminum trains. He was in the act of going ahead with this improvement, but the bankers forced the Pennsylvania Railroad to buy it from him quickly, so he could not set the pace and give the public improved service at reduced rates, and cost them money on their heavy outmoded iron-horses. Today, after 20 years of retarded progress, the stream-line trains are permitted by the banking fraternity to come into being.

It wasn't inability, Mr. Eccles, but cool, deliberate, banker dictation with only one objective in view — more profits.

6. Failure of the private utilities to expand their operations as much as they wished to expand because they did not believe conditions to be favorable.

Granted that the threat of the T.V.A. and similar projects had raised a fear we know that the real reason is the excessive rates the utilities charge. And, by the way, who made the "conditions unfavorable" on the outside? Was it not the Federal Reserve Bankers, who can invent their credit money, which is only temporary money, and thus call in loans and create depressions? It is not their responsibility when money in circulation has been sufficiently depleted to cause a reduction in sales for want of purchasing power, that lessens productions, that causes unemployment?

After Mr. Eccles had insisted that the recession was not due to monetary causes and that the trouble was not the inability of the banks to supply credit, but the fact that there are fewer opportunities to use funds profitably, the chairman, James F. Byrnes, of the committee asked:

"Is that due to the fact that prospective borrowers don't see how they can use those funds profitably?"

"Yes," Eccles replied. **"Credit expands only when there is an opportunity to use funds profitably."**

That takes the blue ribbon! Under our present dishonest money system, credit expands only when there is an opportunity to use funds profitably! In other words, our money is **NOT** determined by the thousand and one needs of our nation, and the cries of the one-third who are ill-clad, under-nourished and poorly housed. **It is actually determined by our ability and our willingness to pay interest on it.** You have to have real wealth as collateral to tap the bank credit money of this nation, you have to be a good risk before you can have it. And all the while, hunger, nakedness and slums flourish!

We will not go into the morals of this illogical plan. Namely, that the interest payments on bank-created money is pure usury. Usury, Mr. Eccles, for your information is a breach against the commandment "Thou shalt not steal." Charging interest on a loan of fictitious money which the lender created, such as bank credit, is immoral and opposed to Christian teaching.

Congress has made it legal through the connivance and subtle cunning of the international banker, but they can never make it moral.

Yes, Mr. Eccles, we can understand why you were so reluctant to testify. You did not want to embarrass the Roosevelt administration. You don't have to. It is all too tragically self-evident.

The Searchlight

NEW YORK, N. Y.—Thomas W. Lamont, a senior partner in J. P. Morgan & Company, Winthrop W. Aldrich, chairman of the Chase National Bank, and James H. Perkins, chairman of the board of the National City Bank of New York, "the big three of Wall Street," as faithful lieutenants of the international generalissimos of high finance, are working overtime giving speeches and attributing false causes to the present sharp business recession.

Aldrich

Lamont, whose son Corliss is an outstanding leftist sympathizer and supporter of red organizations, states that a general distrust toward business has developed in the last five years, that capital has been locked out by the surplus profits tax and that the tendency toward super-administration, toward the creation of a centralized bureaucracy makes men pause today.

Mr. Aldrich blames the difficulties of the capital market—including the discouragement to saving resulting from exceedingly low interest rates, dangers of absorption of the country's capital through increasing the public debt, capital gains and undistributed surplus profits taxes, the S.E.C. regulations — on new issues and the restrictions on the stock market.

Mr. Perkins points to three main causes of the recession, namely, the increased cost of production, termination of the inflationary support previously given to business by the government's deficit financing, and the effect of existing uncertainties for the expansion of new industries and private enterprise.

It is remarkable how these so-called financiers never point to a dishonest money system, nor the fact that the people must have purchasing power in order to consume the products of factory and farm, as the real cause of the recession.

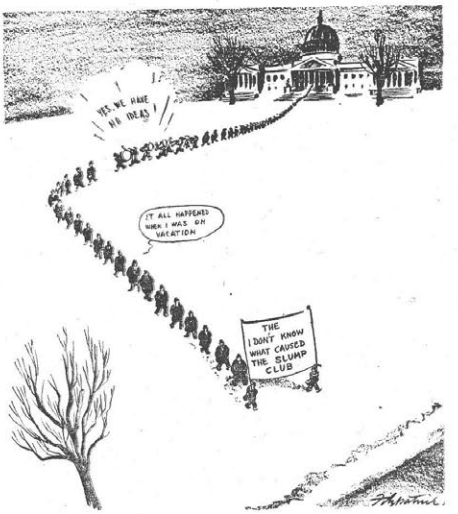
According to the Joint Legislative Committee on State Fiscal Policies of New York state, there is a state debt of $11½-billion—or the equivalent of a mortgage of nearly $3,000 on every family. The money in circulation is $50.39 per capita. Is it any wonder when families (averaging four persons) try to pay off $3,000 plus interest on $201.36, that a depression automatically follows?

Holding Companies Not Frightened

WASHINGTON, D. C.—President Roosevelt's bold announcement that he favors the abolition of all holding companies is not being taken seriously. The very informal manner in which the president made his proposal indicated that it was still in the "idea stage" and a trial balloon for public consumption. There is real need, however, of abolishing holding companies in the banking field.

The Hidden Enemy

Is the International Banker!



—From the St. Louis Post Dispatch.

(A paraphrase from "Social Credit")

WHEN threatened by any kind of calamity, the first necessity to your preservation is knowing exactly where the danger lies, and what is its nature.

Such knowledge makes you strong in your defense. It rids you of the fear that is ignorance, and frees your mind to plan positive and effective action.

Danger threatens today. It threatens every one of us.

Most people are darkly aware of the danger. But it takes no definite form in their minds.

You are afraid of losing your job, afraid of the rising cost of living, afraid of more debts and new taxation, afraid of being enveloped in war.

You also have a feeling that it is not wise to voice your opinions in public unless they conform to the views sponsored by one or another of the established political parties through their accepted newspapers.

Your freedom of action, freedom of speech, freedom to live—all are being hemmed in by an increasing number of restrictions.

But you cannot see the enemy that is behind the scenes and causing the restrictions.

You are disposed to lay the blame at the door of this man or that, but a little investigation shows that each is as impotent as you are yourself.

Your employer reduces or dismisses you. Is he the enemy? No, for in most cases, except a few gigantic monopolies, the average businessman is at his wits' end to keep his business solvent.

Your grocer, butcher, milkman, landlord put up their prices. Are they the culprits? No, for their margin of profits remains much the same as before. It costs them more so they charge you more.

Your tax collector presses you. Is he the man? Again no, for he is only executing the law.

And all the time you know with an instinct as deep as truth itself that your rights as an individual are being usurped, that you are being cheated of your rightful heritage in a world of superabundance.

The power of the enemy is the power of obscurity. As long as he is hidden, you will remain ignorant.

As long as you are in ignorance, you will be afraid of him.

The hidden enemy is the international banker.

It is by fear that he is succeeding in subjecting you, and every other individual in every other country, to an ever-intensifying condition of economic slavery.

Presidents, kings, dictators, cabinet officers, foreign secretaries, members of legislative bodies are, knowingly and unknowingly, acting as agents for the international banker.

Constitutionally, government representatives are still the **servants of the people.**

If you would write your representatives and express yourself on the money question—demanding that Congress use its constitutional power to coin and regulate money — they would find themselves and choose between the interest welfare of millions of honest, toiling, people and the profit of few international bankers.

The enemy will then either have to retire or appear in his real wolf's clothing — minus the white carnation and winged collar, top hat and tails.

No Recovery Without Financial Reform

SOCIAL JUSTICE

National Weekly Review

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Fear of Japanese Aggression Reported Behind Defense Plan

But Politics Balk Moves To Fortify Alaska Coast

WASHINGTON, D. C.—The latest sensation to ruffle the gossip market in the Capitol is a report that the State Department proposal for a naval defense is based on a definite fear that Japan may try to invade American territory.

Just how much rumor and how much fact, if any, is in this report can not be determined, principally because administration leaders refuse to say anything at all about the matter.

One version of the story is that the State Department believes Japan is planning to occupy Alaska for its gold and coal after it has bitten off sizable chunks of cotton-growing China and the oil-producing West Indies.

A huge naval expansion, embracing strong fortifications in Alaska and more airplanes, is said to be on the defense program. At this writing the president is understood to be awaiting a politically expedient moment before requesting needed appropriations, or possibly he plans to postpone action until 1940.

The program in prospect is long range, according to reports, and will require a large outlay of funds over and above the $550,000,000 currently requested by the administration for naval defense.

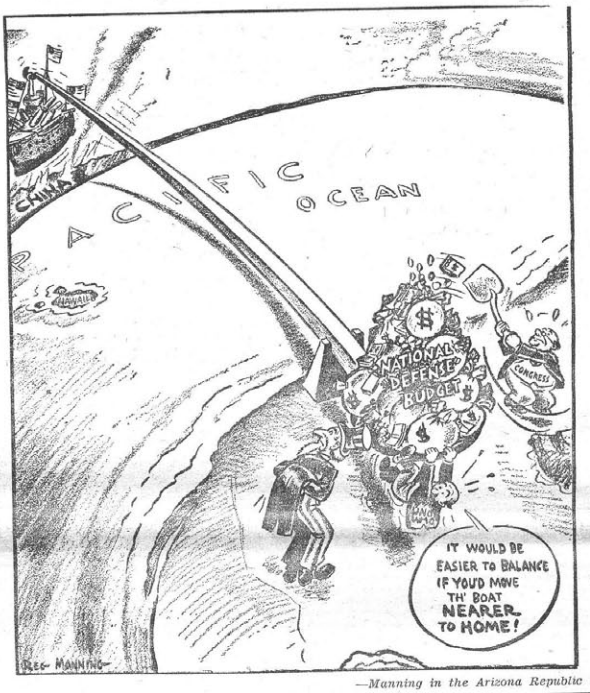
Will Demand An Accounting

Meanwhile, Senator Gerald Nye of North Dakota has some information relating to the defense question which he plans to spring any day now. The Senator has informed **SOCIAL JUSTICE** that he is preparing to ask the administration when it is going to cease helping Japan to prepare for war and begin helping the United States to get its defenses in shape.

He will demand that exports of war essentials to Japan by wealthy American commercial interests be terminated.

From January through November, 1937, the United States exported 3,776,125 tons of scrap iron to 52 countries. More than half of this — 1,891,359 tons — went to Japan. Germany, Holland, England and Italy—received more than three-fourths of the half Japan didn't take. This enormous quantity of scrap iron is used largely to make bullets, shrapnel and high explosive shells.

It will be ironical, indeed, if **American scrap iron is ever used** to shoot down American youths—and more ironical if political considerations delay a preparedness program until it is too late.



—Manning in the Arizona Republic

Silent on Plans

—Wide World

Secretary of State Hull

Behind the Washington Newsfront

From the Capitol Bureau of SOCIAL JUSTICE

Something is askew in the New Deal bookkeeping system. Commerce Department reports show a $70-billion national income for 1937. This is a 10 per cent gain over 1936, even though $4,880,000,000 was spent by the administration in that year during an important election campaign. Yet business is so bad that even the president admits there is a "recession." But he doesnot admit that he planned it that way.

* * *

Despite his Alice-in-Wonderland methods, Mr. Roosevelt would like to see prosperity return before he leaves office. There is one reason it hasn't. He has always handled the problem like a blind farmer trying to put the mule's harness on backward. It just wouldn't fit; neither could the mule pull the wagon.

* * *

President Roosevelt is sniping at his political opponents and bombarding business. At no time has he ever pointed at, much less put the finger on, the real source of our economic troubles. And he probably never will as long as the White House latchstring is out to Bernard Mannes Baruch, J. Pierpont Morgan and the other money lenders and speculators of Wall Street.

* * *

If Mr. Roosevelt would appoint a Secretary of the Treasury who knows what it is all about, a man with gumption and courage enough to curb money manipulation by Wall Street bankers, gamblers and political wire pullers, he would have the United States out of the recession in six months. That is what Andrew Jackson did and that is what Franklin D. Roosevelt promised to do.

* * *

Our Federal Reserve System is not a "Federal" system at all. It is owned by private bankers—bankers who make many millions out of human misery. Its name is a sham and a cover-up for its real purpose. These private bankers can and do make money scarce and hard to borrow at will. Advance knowledge enables the insiders to clean up in Wall Street.

Scarce money causes business retrenchment and embarrassment. Business retrenchment makes jobs scarce. Scarce jobs depletes the nation's purchasing power. More retrenchment. More men out of work. And so on until confidence returns. White House excoriation of all business and threats of confiscation does not restore confidence.

* * *

The two labor factions are likely to remain at war while they are controlled by William Green and John L. Lewis. There is no room for two Caesars in any organization. And neither would be satisfied with anything less.

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